Metropolitan Conditions and Trends

Changing Contexts for a Community Initiative

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The *Making Connections* Research Program

Making Connections (*MC*) is a decade-long initiative of the Annie E. Casey Foundation, operating on the belief that the best way to improve outcomes for vulnerable children living in tough neighborhoods is to strengthen their families' connections to economic opportunity, positive social networks, and effective services and supports. Launched in 1999, the initiative was implemented in selected low-income neighborhoods in 10 metropolitan areas across the country: Denver, Des Moines, Hartford, Indianapolis, Louisville, Milwaukee, Oakland, Providence, San Antonio, and Seattle.

This paper (see abstract below) is one of a series produced under a program of research on the 10 sites, also sponsored by the Annie E. Casey Foundation. The program has included major surveys along with analyses of a wide range of relevant census and administrative data files. The program has developed an unusually rich database that permits researchers to examine aspects of neighborhood change that have never been studied (with quantification) in as much depth before. Data about resident families include standard demographic, employment, and income variables, but also a host of other measures seldom available at this level (for example, on asset holdings and debts, public assistance patterns, social linkages, and attitudes about neighborhood conditions and services).

The 10 *MC* sites are both important (all but one are among the 50 largest U.S. metropolitan areas) and diverse. Their diversity means they offer good examples of the wide range of challenges being faced by local leaders as they try to make headway in improving poor communities today. The stereotypical declining neighborhoods of our older industrial cities (e.g., Louisville, Milwaukee, Indianapolis) remain among the most critical, but they can no longer be said to fully represent America's "urban problem." There are other poor neighborhoods in the East and Midwest that have many similar challenges but where, in addition, expanding immigrant populations (e.g., Des Moines, Hartford, Providence) are shifting the traditional dynamic. And yet other troubled neighborhoods in other regions operate differently, ranging from fairly stable Hispanic communities with severe persistent poverty (e.g., San Antonio) to rapidly growing, racially diverse neighborhoods where extraordinary housing affordability pressures are overlaid on the more traditional barriers to family stability (e.g., Denver, Oakland, Seattle).

Abstract

This report reviews recent trends for social and economic conditions in the 10 metropolitan areas that form the context for the neighborhood programs being implemented as a part of the Annie E. Casey Foundation's *Making Connections* (*MC*) initiative. It finds that the sites are strikingly diverse along many dimensions and in are many ways representative of the diversity in conditions and trends across America's metropolitan areas. In almost all cases, these areas' economies followed the pattern of the nation over the past decade—booming in the late 1990s, declining over the first two years of this decade, and then partially recovering through 2007. But there were stark contrasts. Since 2002, for example, two *MC* metros attained among the nation's highest rates of employment growth (Denver and Seattle) while two others experienced serious declines (Oakland and Milwaukee). Although there were important differences in magnitudes, all sites shared in a number of trends: minority groups growing as a share of total population and improvements in several social indicators (e.g., in crime and teen pregnancy) but, disturbingly, notable increases in child poverty. Through 2006, all 10 metros had also witnessed major increases in housing prices but again, differences were marked. Ratios of home prices to income were very high by U.S. standards in Oakland, Seattle, Denver, and Providence but below average in the other six sites.

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Foreword

The Annie E. Casey Foundation's *Making Connections* initiative springs from a deep appreciation of how larger metropolitan conditions and trends influence success in transforming isolated low-income neighborhoods into healthy, family-supporting environments. We developed this initiative to demonstrate effective ways to connect vulnerable families in tough neighborhoods to economic opportunity, effective human services, and supportive social networks. From the initiative's inception, our conviction—shared by our local partners—is that neighborhood-based strategies must reflect and respond to larger social and economic conditions and trends.

This report analyzes key indicators of metropolitan conditions and trends critical to the success of *Making Connections*—the economy, the labor market, race, immigration, income, housing, mortgage lending, and more. The findings are based on a broad set of indicators selected for two reasons. First, all the indicators represent objective, measurable descriptors of facts and circumstances that powerfully affect the well-being of low-income children, families, and neighborhoods. Second, all are based on public data, widely accessible to anyone working for community change. These particular indicators are not unique to the *Making Connections* initiative; nor are they sculpted from proprietary datasets. Instead, they are gleaned from public sources, and anyone who can enlist the technical expertise can use them. Happily, such expertise is available nationally through such research organizations as the Urban Institute and locally through such data experts as the member organizations of the National Neighborhood Indicators Partnership.

This report is not a one-size-fits-all template for profiling the metropolitan context of all community change efforts. But it exemplifies an important dimension of community change practice by showing how significant, accessible social and economic indicators can be used for mapping the metropolitan landscape of opportunity and constraint that surrounds our neighborhoods and for monitoring the metropolitan trends to which successful neighborhood change initiatives must respond. For contributing to this project and to the broader field of community change by modeling the use of significant, accessible metropolitan indicators in the service of community change, we express our thanks to the authors.

Cynthia Guy
Research Manager, The Annie E. Casey Foundation

Metropolitan Conditions and Trends

CONDITIONS AND TRENDS IN THE metropolitan and county areas surrounding *Making Connections* (*MC*) neighborhoods have important implications for guiding strategies and interpreting results. Any given neighborhood employment target will have a different meaning in a weak labor market than one in which job growth is booming. Service approaches will be thought about differently in a county where the overall child poverty rate is high and accelerating than one in which child poverty outside of the *MC* neighborhood is low. Neighborhood residents will be under different pressures in areas where housing prices are growing rapidly than in those where prices are comparatively low and stable, and these differences, too, would affect strategies.

This paper provides a review of a wide range of relevant indicators for *MC* site contexts, describing trends from 2000 through 2006 or 2007. Indicators are grouped in five broad topics.

1. Economy and labor market
2. Demographic change
3. Income and poverty
4. Social conditions
5. Housing and mortgage market

These data, therefore, do not cover the economic and housing market turmoil that have occurred since 2007. Data that will allow analysts to begin to tell that story for the *MC* sites will be available over the coming year. In the meantime, however, understanding what happened in the sites under the generally positive economic conditions earlier in this decade, and how the sites differed from each other at that time, should be critical as a base for understanding what comes next.

The data (on 54 indicators, for various dates and generally grouped in this order) are presented in table A.1 at the end of this paper. The data are presented for each of the 10 *MC* sites and national comparison units (either the United States as a whole or the 100 largest metro areas). Data sources and definitions are presented in appendix B.

In preparing gap analyses at the time of the Wave 1 Cross-Site Survey, most local *MC* teams compared neighborhood conditions to conditions in their surrounding counties, rather than in their metropolitan areas. Accordingly, most of the data in this paper are presented at the county level. However, some metropolitan-area indicators are used where adequate county data are not available. We consistently refer to the sites by the name of the primary city in their metropolitan areas, rather than the name of their counties. The text and figures below review and discuss the highlights.

Summary of Findings

The 10 *MC* sites are strikingly diverse along many dimensions and are in many ways representative of the diversity in conditions and trends across America's metropolitan areas. In almost all cases, their economies followed the pattern of the nation over the past decade—booming in the late 1990s, declining over the first two years of this decade, and then partially recovering through 2007. However, in the most recent period, two *MC* metros attained among the

nation's highest rates of employment growth (Denver and Seattle), while two others actually experienced serious declines (Oakland and Milwaukee).

As to demographic change, minorities increased their share of the population in all sites since 2000, largely driven by expanding Hispanic populations. However, in most *MC* sites Hispanic and foreign-born shares remain comparatively small. The only sites with Hispanic concentrations above the national average are Denver and San Antonio. The only *MC* sites with foreign-born shares above the national average are Seattle and, most impressively, Oakland.

A number of indicators of social distress have improved in almost all *MC* sites since 2000—for example, crime rates, teen pregnancy, and the shares of adults who are not high school graduates have all gone down. But important differences between the sites remain. The central counties of the Seattle and Des Moines metros consistently have among the best scores by these measures, those of Milwaukee and Denver are consistently at the low end, and those of the others fall in between. Probably the most disturbing news in this analysis, however, was a sizeable increase in child poverty almost everywhere. The central counties of the Des Moines and Hartford metros were the only exceptions—the other eight all saw child poverty increasing faster than the national average, with the growth in Milwaukee, Providence, and Denver being particularly serious.

The housing markets of *MC* metros have changed remarkably since 2000, generally mirroring national trends. Clearly beneficial has been the increase in the share of households that own their own homes in all sites—most rapid in Denver, Des Moines, and Hartford, although quite slow in Seattle, Milwaukee, and San Antonio. There are risks that should be addressed, however. All sites showed a rapid jump in the share of loans from subprime lenders, suggesting a potential for mortgage defaults by new owners if housing market conditions were to cool markedly. This measure points to Providence, Oakland, and Denver as being of particular concern.

The second risk is rapidly increasing housing prices in some markets, diminishing the level of affordable housing and threatening displacement for some families. By far the highest ratios of home purchase price to income among *MC* sites are found in Oakland, Seattle, Denver, and Providence. (These sites also have more serious renter affordability problems.) Affordability problems in the other *MC* sites, however, appear less serious than average for the nation.

Economy and Labor Market

The late 1990s represented one of the strongest economic booms in America's history. This was followed by a period of decline in the first two years of this decade, then the beginning of a recovery. For the 100 largest metro areas, the annual **employment growth** rate hit +1.9 percent for 1995–2000, dropped to −0.05 percent for 2000–2002, and then increased again to +1.3 percent for 2002–2007—a strong improvement but still not back to the heights of the late 1990s.

Almost all *MC* sites followed the same general pattern over these years, but their performance varied markedly. The scatter plot in figure 1 shows the employment growth rates for all sites for 2000–2002 on the horizontal axis and for 2002–2007 on the vertical axis. (Data in this case are for metro areas rather than counties.) *MC* sites grew somewhat less rapidly than the average of the top 100 metro areas in both periods (see the *MC* dot slightly below and to the left of the National dot).

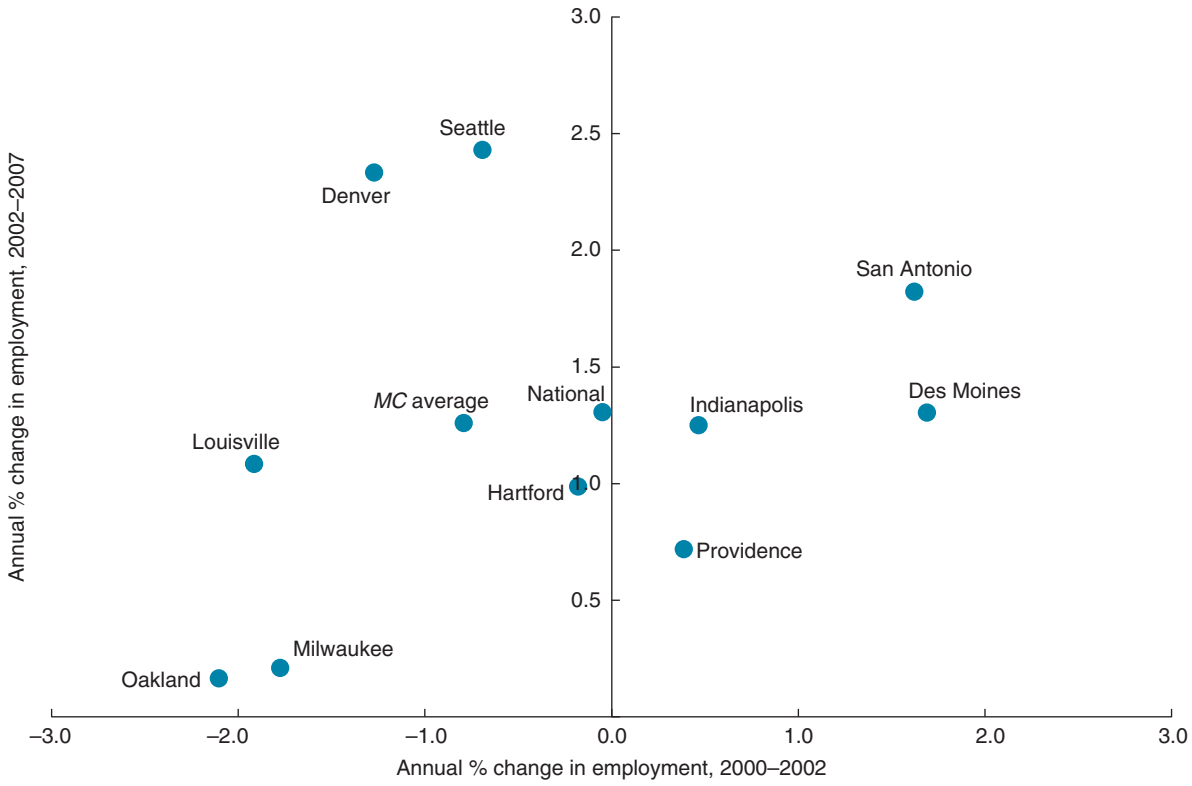
San Antonio (upper right quadrant) was the only site that outperformed the national economy in this regard in both periods (rates of +1.6 percent in the earlier period, increasing to +1.8 in the latter). At the other extreme, Oakland (lower left) had the worst performance from 2000–2002 and the worst after 2002 (−2.1 percent and +0.2 percent).

Sites farthest away from the diagonal (i.e., those in the upper left quadrant) shifted their performance most between these periods. Denver and Seattle have had the most rapid employment growth since 2002 and average performance from 2000–2002.

As would be expected given the story above, **unemployment** in the top 100 metros dropped in the 1995–2000 economic boom (from 5.3 to 3.8 percent). The rate then went up to 5.6 percent in the decline through 2002 and has since improved, reaching 4.6 percent in 2007. Since 2002 the unemployment rate in eight sites has dropped. Unemployment has remained low and stable in Des Moines at 3.5 and has increased only slightly in Hartford, from 4.5 to 4.7.

Rapidly growing economies are not always able to effectively connect would-be workers with jobs. Some slowly growing labor markets sometimes clear more efficiently and thus have less unemployment. In

FIGURE 1
Change in Employment, 2000–2002 and 2002–2007



Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics. See appendix B.

short, growth and unemployment rates are not closely correlated nationally, and the same result is reflected for *MC* sites in figure 2 (2002–2007 employment growth rates are again reflected on the vertical axis, whereas 2007 unemployment rates are shown on the horizontal axis).

Denver and Seattle had the most rapid employment growth and did have lower unemployment rates than all sites except for Des Moines. Providence, Louisville, and Milwaukee had the worst unemployment rates and were below average on employment growth. However, Oakland had the worst employment growth rate but remained average in terms of unemployment.

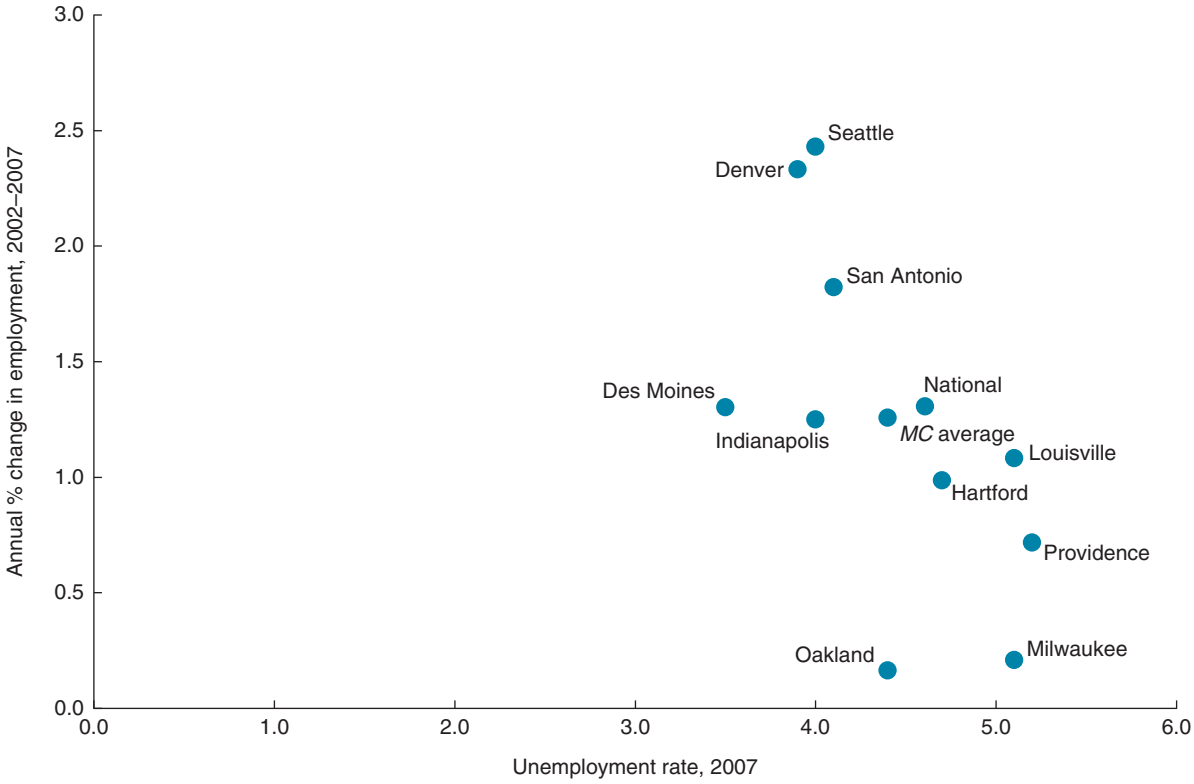
Demographic Change

Population growth rates were reasonably well correlated with employment growth in the 1990s as well as in the period after 2000 shown in figure 3. For example, over the 2000–2007 period the top three sites in employment growth (San Antonio, Des Moines, and Seattle), were also the top three in population growth (upper right). Milwaukee and Oakland were also consistently low by both measures (lower left).

The **age distribution** has remained comparatively static nationally since 1990, with one-quarter of the total population under 18 years old, around 16.5 percent age 18 to 29 (down slightly over the period), 46 percent age 30 to 64, and 12.4 percent 65 or older. The *MC* distribution is similar, also without major changes over the past 15 years, and the sites do not vary much. The under-18 share, for example, only ranges from 21.9 percent (Seattle) to 28.0 percent (San Antonio). The 65-and-older share ranges from 10.2 percent (San Antonio) to 14.1 percent (Hartford).

The **growth of the minority population,** however, continues to be the biggest story in this category, as it was in the 1990s. Minorities represented 24.2 percent of the U.S. population in 1990,

FIGURE 2
Unemployment, 2007, and Change in Employment, 2002–2007



Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics. See appendix B.

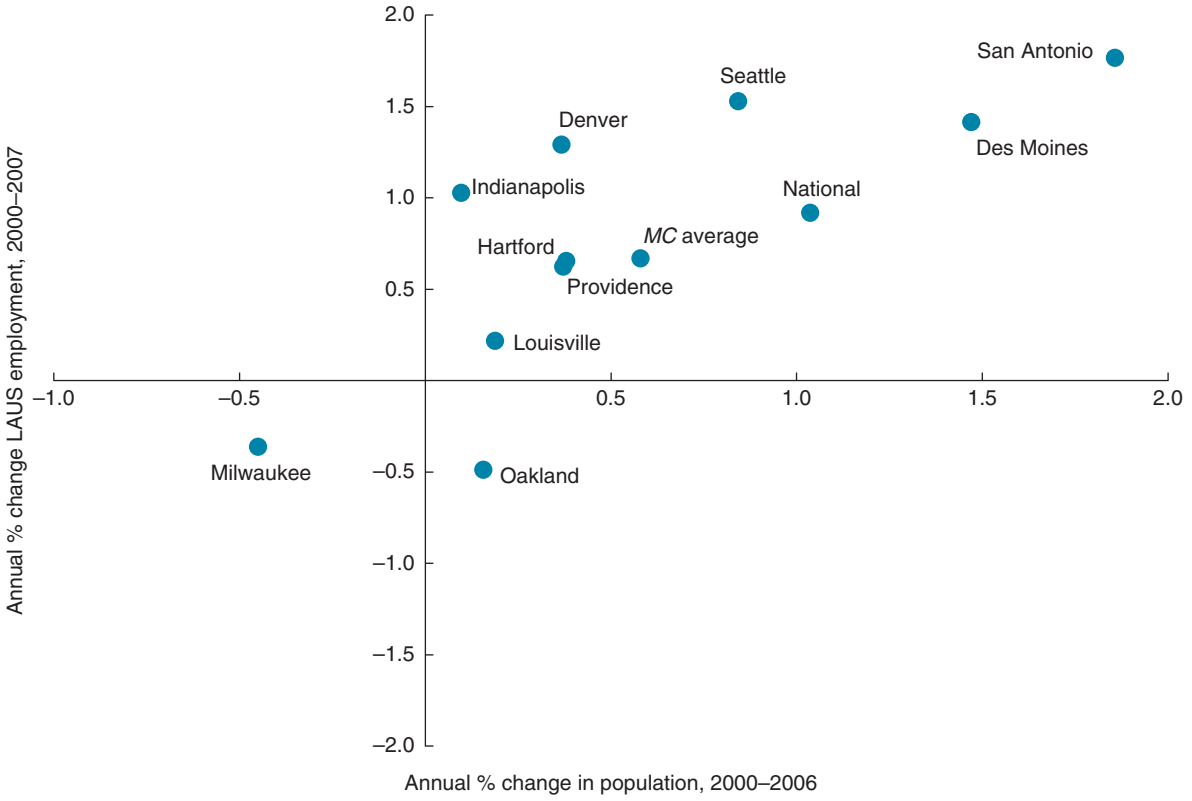
30.9 percent in 2000, and 33.6 percent in 2006. This translates into an increase of 0.66 percentage points per year in the 1990s and a modestly slower 0.46 points per year since 2000. The comparable numbers for *MC* sites are similar, with even faster growth in the 1990s.

Understanding this change requires breaking down the category by race and ethnicity. The **(non-Hispanic) black share** of the nation's population has remained constant at about 12 percent since 1990, and it has remained nearly constant in *MC* sites (increasing only from 12 to 13 percent over this period). Figure 4 shows that the size of the black population differs markedly among *MC* counties, however, ranging from 5–6 percent of the total in Des Moines and Seattle up to around one in five or more in Louisville, Indianapolis, and Milwaukee. The black share has been declining since 1990 in two *MC* counties (Denver and Oakland) and has remained the same or increased only modestly in all the rest. The only sites with annual share increases of 0.3 percentage points or more since 2000 were Indianapolis, Milwaukee, and Providence.

The **Hispanic share,** in contrast, has grown notably in most of the United States: at a fairly constant pace from 8.8 percent in 1990 to 14.8 percent in 2006. Hispanics represent a larger share in *MC* sites at the county level (up from 11 percent in 1990 to 18 percent in 2006), but there is substantial contrast between sites (figure 5). Hispanics account for 57 percent of San Antonio's population, 35 percent of Denver's, and 21 percent of Oakland's but for 7 percent or less of the population in Seattle, Des Moines, Indianapolis, and Louisville. The Hispanic share is growing in all *MC* sites but most impressively (over 0.5 percentage points per year) in the sites where it is most concentrated: San Antonio and Denver.

The **foreign-born share** of the U.S. population has also increased (from 7.9 percent in 1990 to 11.1 percent in 2000 and again to 12.5 percent in 2006). The foreign-born share of *MC* site populations

FIGURE 3
Change in Employment and Population, 2000–2007



Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics and U.S. Bureau of the Census, Population Estimates Program. See appendix B.

is about the same (13.9 percent, also up from around 8 percent in 1990), but again the contrasts are dramatic (figure 6). The 2006 pattern does not parallel that of the Hispanic share, primarily because most of San Antonio's Hispanic residents were born in the United States. Oakland has by far the highest foreign-born share (30.9 percent in 2006), followed by Seattle (19.9 percent), and then Providence (17.4 percent). From 2000 to 2006 the foreign-born share continued to increase in all *MC* counties except Denver, most notably in Seattle and Oakland where it is already most concentrated.

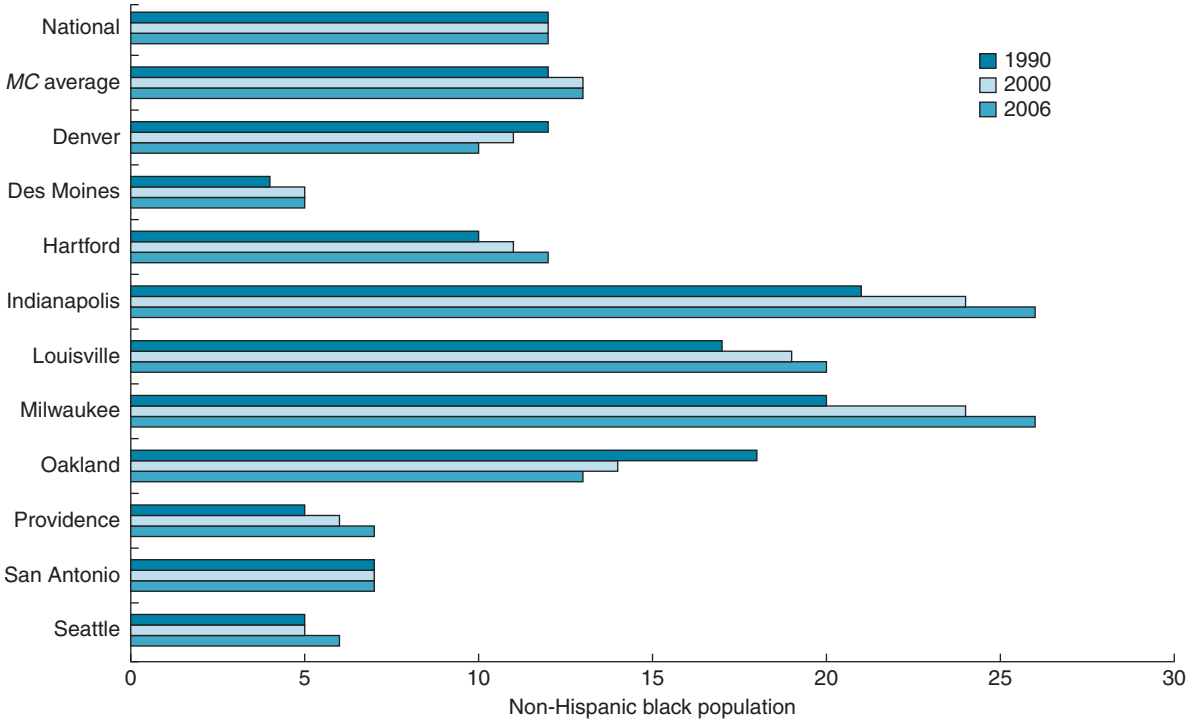
Income and Poverty

Census data show that in the 1990s the **average household income** in *MC* counties went up from $60,800 to $69,900, close to the same levels as for the nation. The data shown in table A.1 for 2004 and 2006 are from the American Community Survey and, according to the Census Bureau, are not strictly comparable with the earlier figures, so analysis of change is not appropriate. The 2000 census data show marked variation across *MC* sites. At the high end were Oakland ($87,900), Seattle ($86,000), and Hartford ($79,300). At the low end were Milwaukee ($59,100), Providence ($59,200), and San Antonio ($61,900). (All figures are in constant 2006 dollars.)

As figure 7 indicates, the average household income for the nation increased significantly from $64,100 in 2004 to $65,500 in 2006. Two *MC* counties also experienced significant changes in this measure. In Denver, average household income decreased from $65,500 in 2004 to $59,600 by 2006. However, in Seattle, incomes increased from $77,600 to $85,000 in the same period.

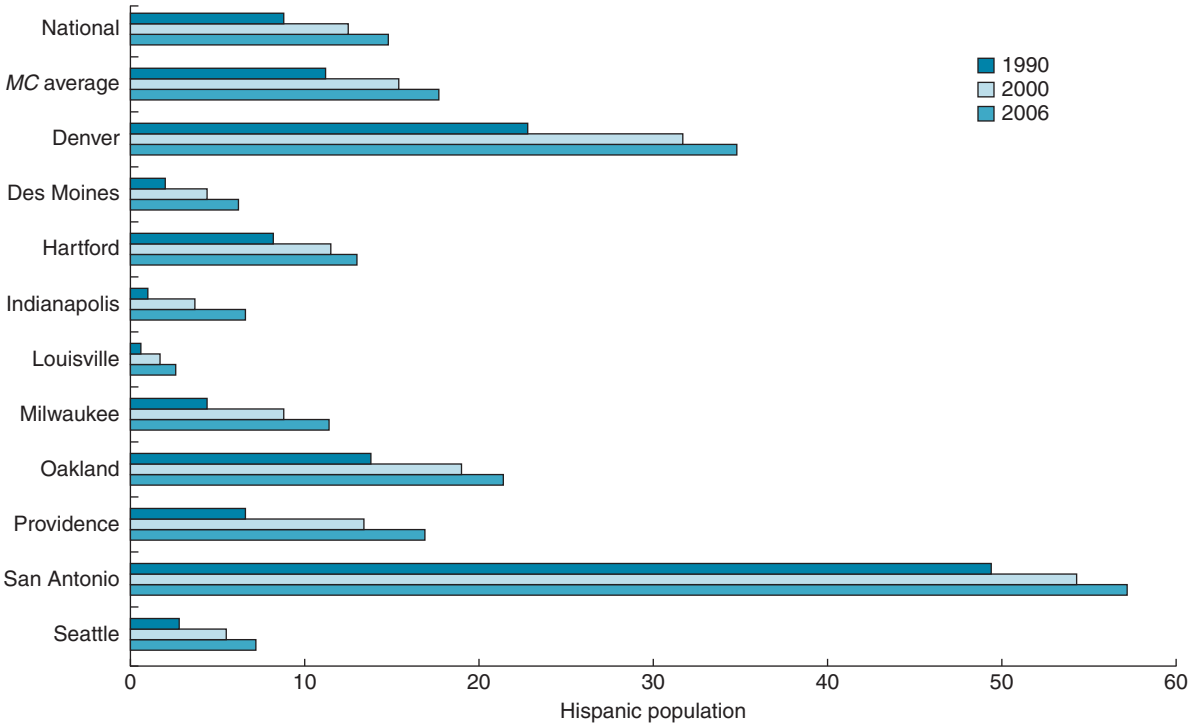
The national **poverty rate** has changed very little over the past 15 years, dropping from 13.1 percent

FIGURE 4
Black Share of Population, 1990, 2000, and 2006 (percent)



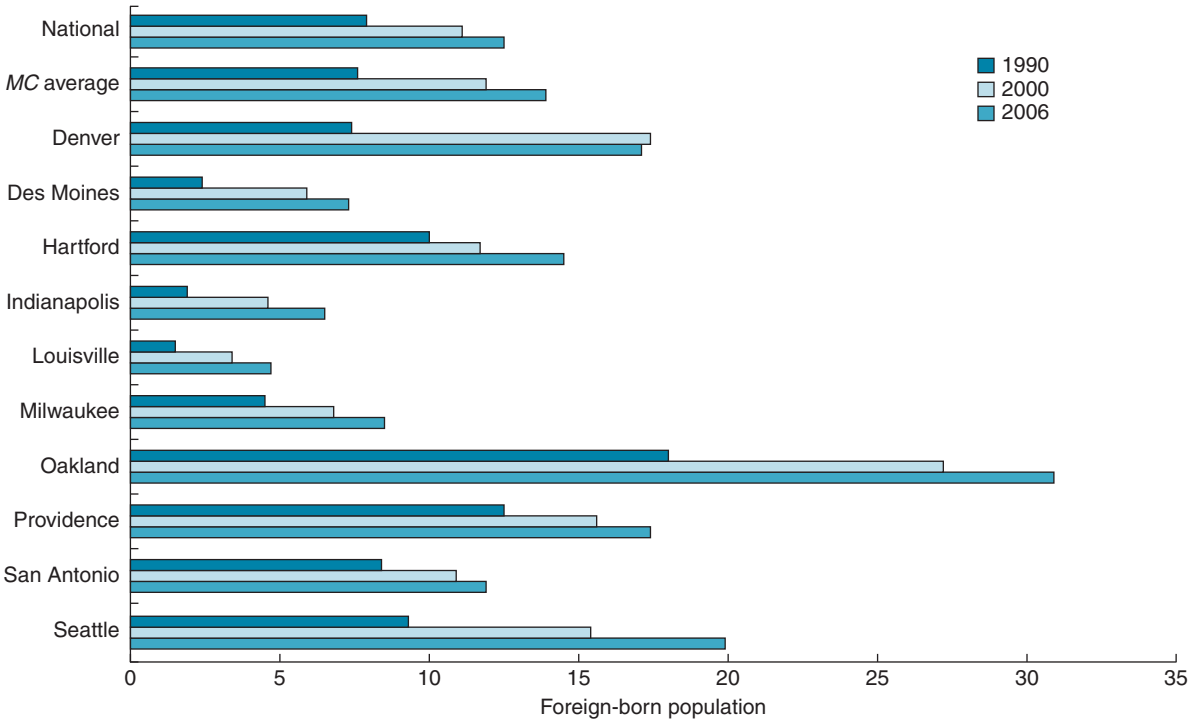
Source: U.S. Bureau of the Census, Population Estimates Program. See appendix B.

FIGURE 5
Hispanic Share of Population, 1990, 2000, and 2006 (percent)



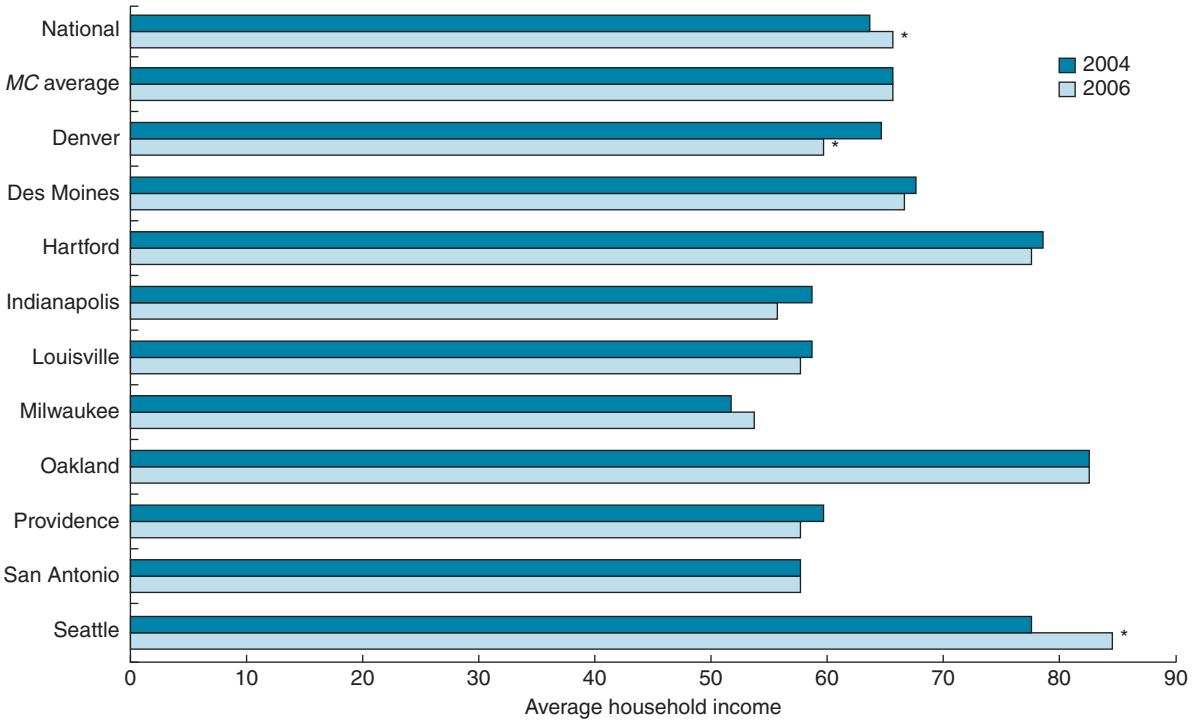
Source: U.S. Bureau of the Census, Population Estimates Program. See appendix B.

FIGURE 6
Foreign-Born Share of Population, 1990, 2000, and 2006 (percent)



Source: U.S. Bureau of the Census, American Community Survey. See appendix B.

FIGURE 7
Average Household Income, 2004 and 2006 ($000)



Source: U.S. Bureau of the Census, American Community Survey. See appendix B.
*Indicates a statistically significant change between years at the 90% confidence level or higher.

in 1990 to 12.4 percent in 2000 and rising again to 13.3 percent in 2006—nearly the same set of numbers as for the *MC* sites. More relevant to *MC* objectives, however, is the pattern of change for the **child poverty rate,** which has been considerably higher throughout. In *MC* sites, that rate dropped from 19.2 percent in 1900 to 17.2 percent in 2000 but then increased again to a troubling 20.1 percent in 2006.

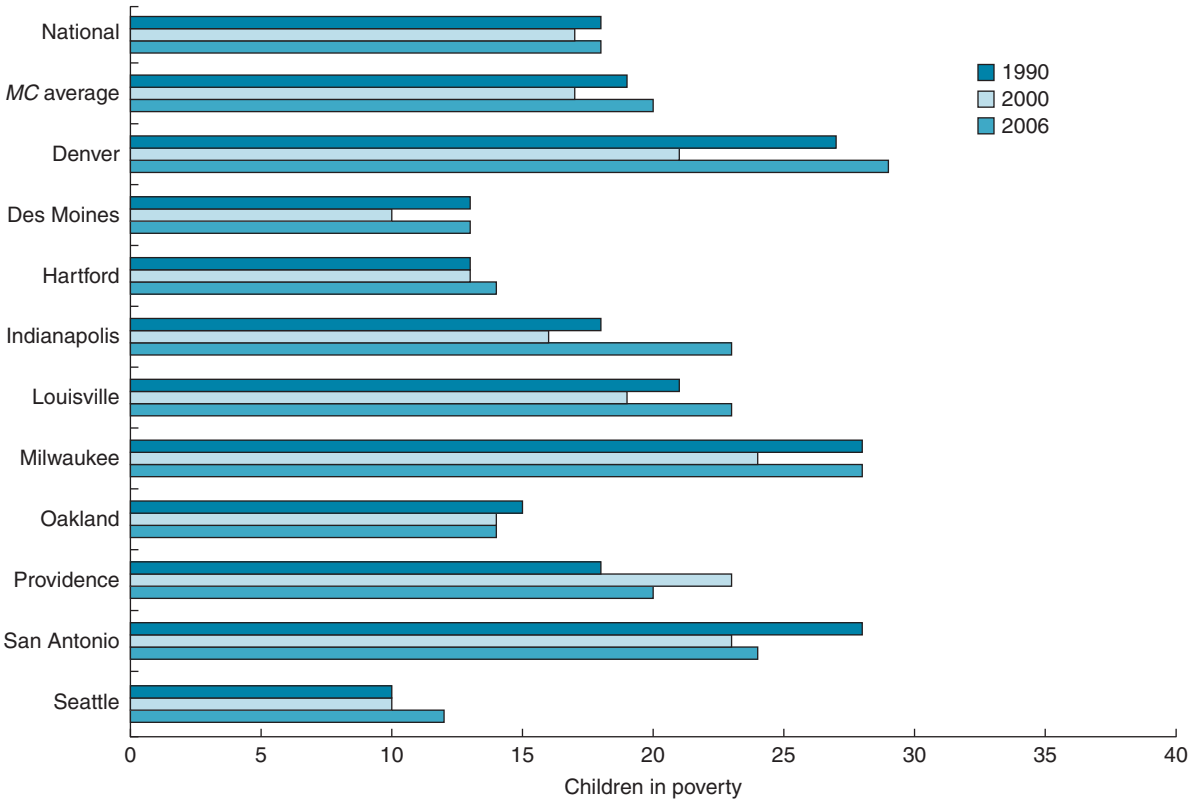
Figure 8 shows important differences between the sites by this measure. Child poverty in 2006 was by far highest in Denver (29.4 percent), Milwaukee (27.6 percent), San Antonio (24.2 percent), Indianapolis (23.2 percent), Louisville (22.8 percent), and Providence (20.2 percent). It was considerably lower (14.1 percent or less) in Seattle, Des Moines, Hartford, and Oakland. Increases in child poverty (2000–2006) have been most severe in the sites where it was already highest: growing by 1.4 percentage points per year in Denver, 1.2 in Indianapolis, and 0.7 in Louisville and Milwaukee. At the other end of the spectrum, there was virtually no change over the period in Oakland and a modest increase in Hartford.

Comparisons of the change in child poverty from 1990 to 2000 and since 2000 are shown on figure 9. In the 1990s, six *MC* counties performed better than the U.S. average, that is, reduced child poverty faster: Denver, San Antonio, Milwaukee, Louisville, Indianapolis, and Des Moines (to the left on the chart). Since 2000, only three did better than the national average: Providence, Oakland, and Hartford (lowest on the chart).

Social Conditions

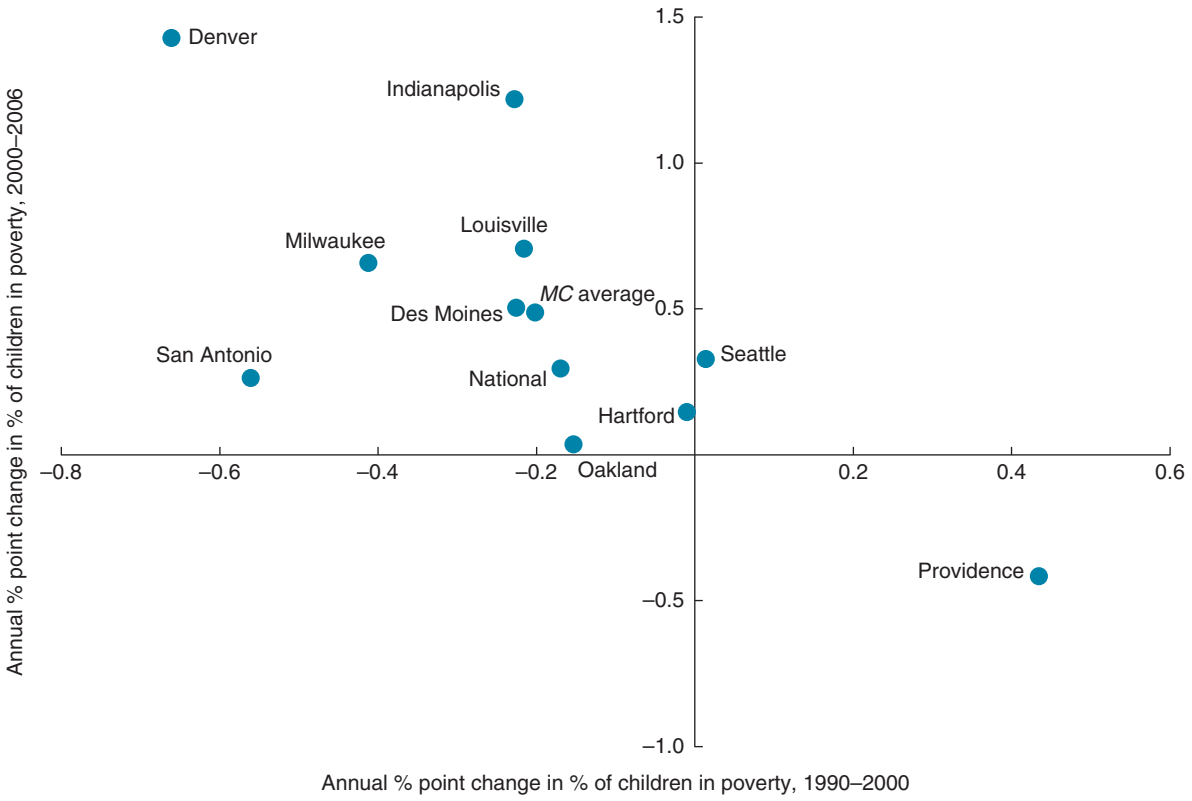
In comparing the sites on **education,** we use two measures that indicate different aspects of county performance: the percentage of adults (25 years of age or older) who have not graduated from high

FIGURE 8
Children in Poverty, 1990, 2000, and 2006 (percent)



Source: U.S. Bureau of the Census, American Community Survey. See appendix B.

FIGURE 9
Change in Child Poverty, 1990–2000 and 2000–2006



Source: U.S. Bureau of the Census, American Community Survey. See appendix B.

school and the percentage in that age group who have graduated from college. Both measures have improved consistently, nationally as well as in all *MC* sites.

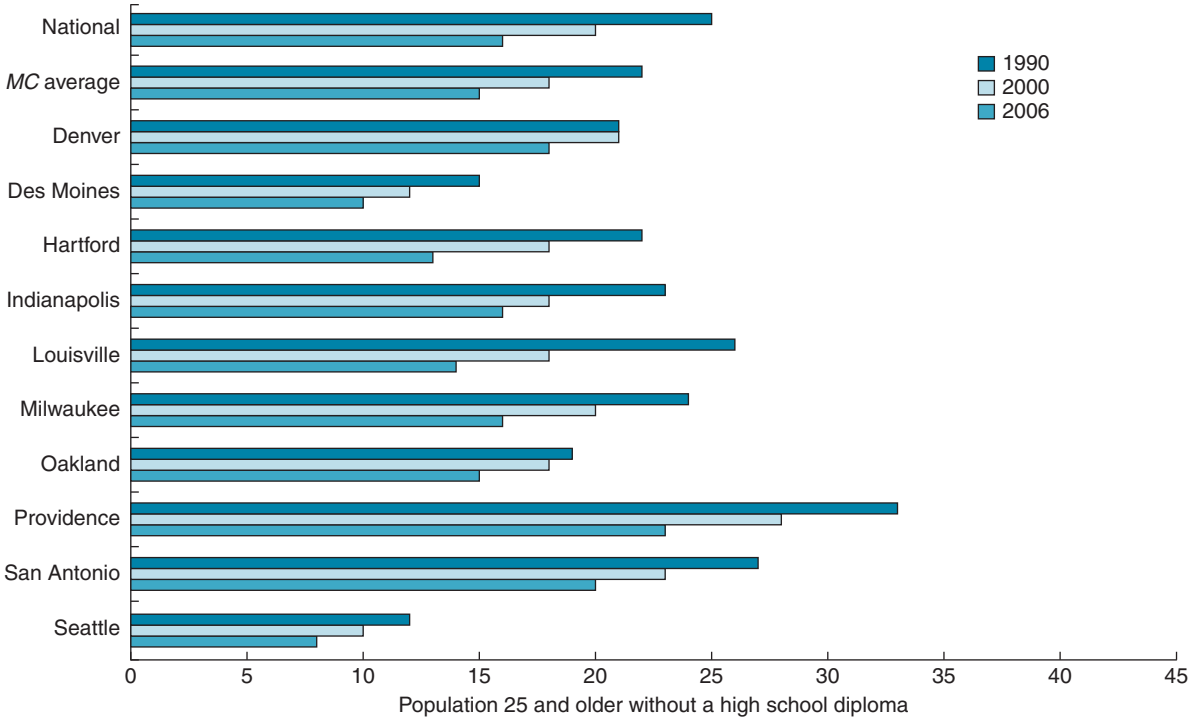
For the United States as a whole, the **share of adults without a high school diploma** dropped from 24.8 percent in 1990 to 19.6 percent in 2000, and again to 15.9 percent in 2006. The average for *MC* counties was a little lower each year, dropping from 22.1 percent in 1990 to 15.4 percent in 2006. Across the *MC* counties (figure 10), two stood out as having the best record on this measure in 2006: Seattle (8.1 percent) and Des Moines (9.7 percent). At the other extreme, 22.9 percent of adults in Providence, 19.9 percent in San Antonio, and 18.0 percent in Denver had not graduated from high school.

Sites with decreases beyond the national average of 0.6 points per year were Providence, Louisville, and Hartford.

The **share of adults with college degrees** is often taken as an indicator of an area's ability to be on the leading edge of economic development. Nationally, this share grew from 20 percent in 1990 to 24 percent in 2000 and to 27 percent in 2006; the *MC* county averages were higher at 24, 29, and 31 percent, respectively. Across the sites (figure 11), the highest rates by far were achieved in Seattle (45 percent) and Oakland (39 percent). San Antonio, Providence, Milwaukee, Indianapolis, and Louisville shared the low end of this continuum (25–28 percent). Among sites, the most rapid increases since 2000 have been in Seattle (0.8 points per year) and Providence and Oakland (0.6). The lowest by far were Indianapolis, Hartford, and Milwaukee, all at 0.2 points per year.

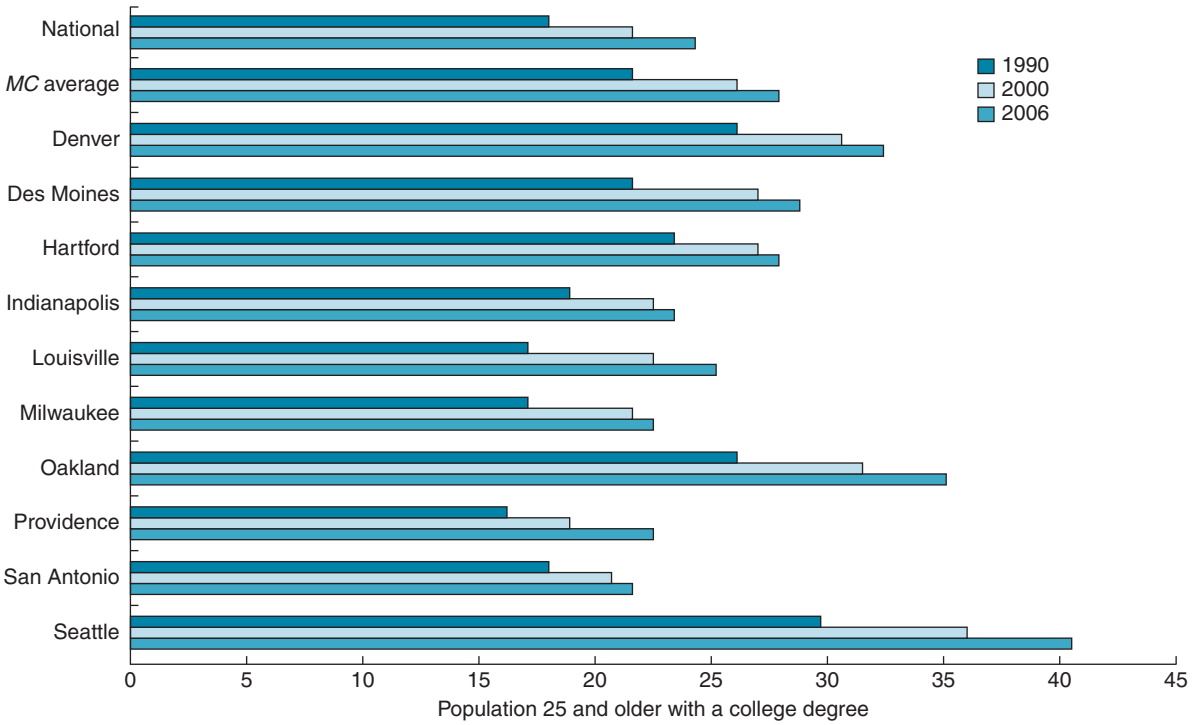
The year-by-year change in **teen births as a percentage of total births** for *MC* counties from 1996 to 2003 is shown in figure 12. In 2003, Seattle had the lowest level at 4.7 percent and Oakland

FIGURE 10
Adults without a High School Diploma, 1990, 2000, and 2006 (percent)



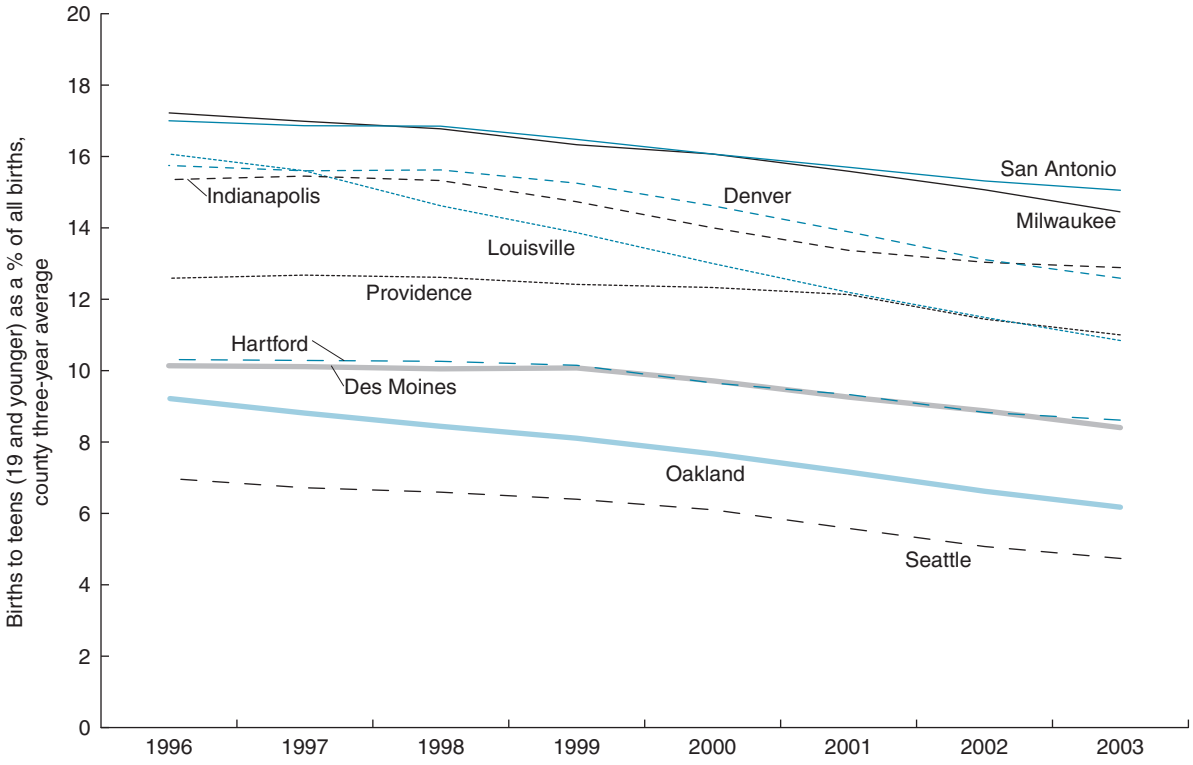
Source: U.S. Bureau of the Census, American Community Survey. See appendix B.

FIGURE 11
College Graduates, 1990, 2000, and 2006 (percent)



Source: U.S. Bureau of the Census, American Community Survey. See appendix B.

FIGURE 12
Teen Births as a Percentage of Total Births, 1996–2003



Source: Centers for Disease Control and Prevention. See appendix B.

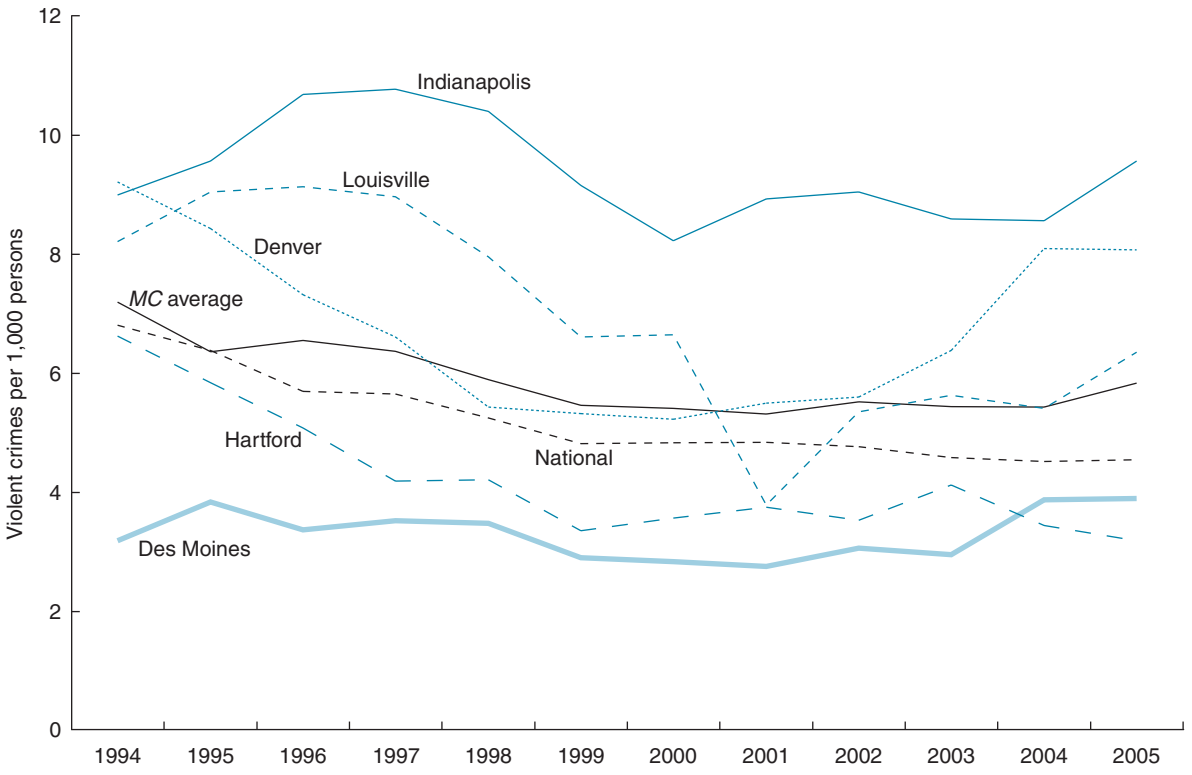
came next at 6.2 percent. At the other extreme, the rates were highest for San Antonio (15.0 percent) followed by Milwaukee (14.9 percent) and Indianapolis (12.9 percent). As to change, the picture is one of consistent improvement over the period. Across the 10 sites, the share dropped from 12.9 percent in 1996 to 10.4 percent in 2003 (the same decline as experienced by the United States as a whole). All sites experienced improvements, but some were larger than others. The average decrease was –0.37 percentage points per year. Louisville improved most rapidly (–0.75 points); Providence (–0.22 points), Hartford (–0.24), and Des Moines (–.25) the least rapidly; and the rest declined at a rate fairly close to the average.

Another key indicator of local well-being is the **rate of violent crime.** Figure 13 shows the year-by-year changes for selected counties from 1994 through 2005. In 2005 the rate was highest for Indianapolis (9.6 crimes per 1,000) followed by Denver (8.1) and Louisville (6.3). At the low end were Hartford (3.2) and Des Moines (3.9). This was also a period of considerable improvement by this measure. Nationally, the rate dropped from 6.5 violent crimes per 1,000 at the start of this period to 4.5 at the end; the *MC* average also dropped slightly (from 6.5 to 5.8). And for the *MC* sites, the trend was not as consistent as was the case for teen births. Two sites experienced increases in the violent crime rate from 1995 to 2005: Oakland (from 5.3 to 6.7) and San Antonio (from 4.8 to 5.8). The rest of the sites all improved or remained stable, led by Louisville and Hartford (–0.28 points per year).

Recap

Figure 14 presents a recap of the site rankings for child poverty and measures of several other social conditions. The sites are listed from best to worst on each indicator. The horizontal line between sites represents the location of the national average. For

FIGURE 13
Violent Crime Rate, 1994–2005



Source: Federal Bureau of Investigation, Uniform Crime Reports. See appendix B.

FIGURE 14
Recap of Social Conditions

	Child poverty rate 2006	% older than 25 without H.S. diploma 2006	Teen pregnancy rate 2002–2004	Violent crime rate 2005
Best	Seattle	Seattle	Seattle	Hartford
	Des Moines	Des Moines	Oakland	Providence
	Oakland	Hartford	Des Moines	Des Moines
	Hartford	Louisville	Hartford	Seattle
	Providence	Oakland	Louisville	San Antonio
	Louisville	Milwaukee	Providence	Louisville
	Indianapolis	Indianapolis	Denver	Oakland
	San Antonio	Denver	Indianapolis	Milwaukee
	Milwaukee	San Antonio	Milwaukee	Denver
Worst	Denver	Providence	San Antonio	Indianapolis

Note: The line between sites indicates the national average.

child poverty, for example, the site with the best score is Seattle, followed by Des Moines. Hartford is just above the national average and Providence is just below it. Milwaukee has the second-worst score and Denver, the worst.

When we look across the other indicators, the central counties of the Seattle and Des Moines metros consistently have among the best scores; those of Milwaukee, Denver, and San Antonio are consistently at the low end; and those of the others fall at varying points in between. Louisville is most often near the center of the distribution.

Housing and Mortgage Market

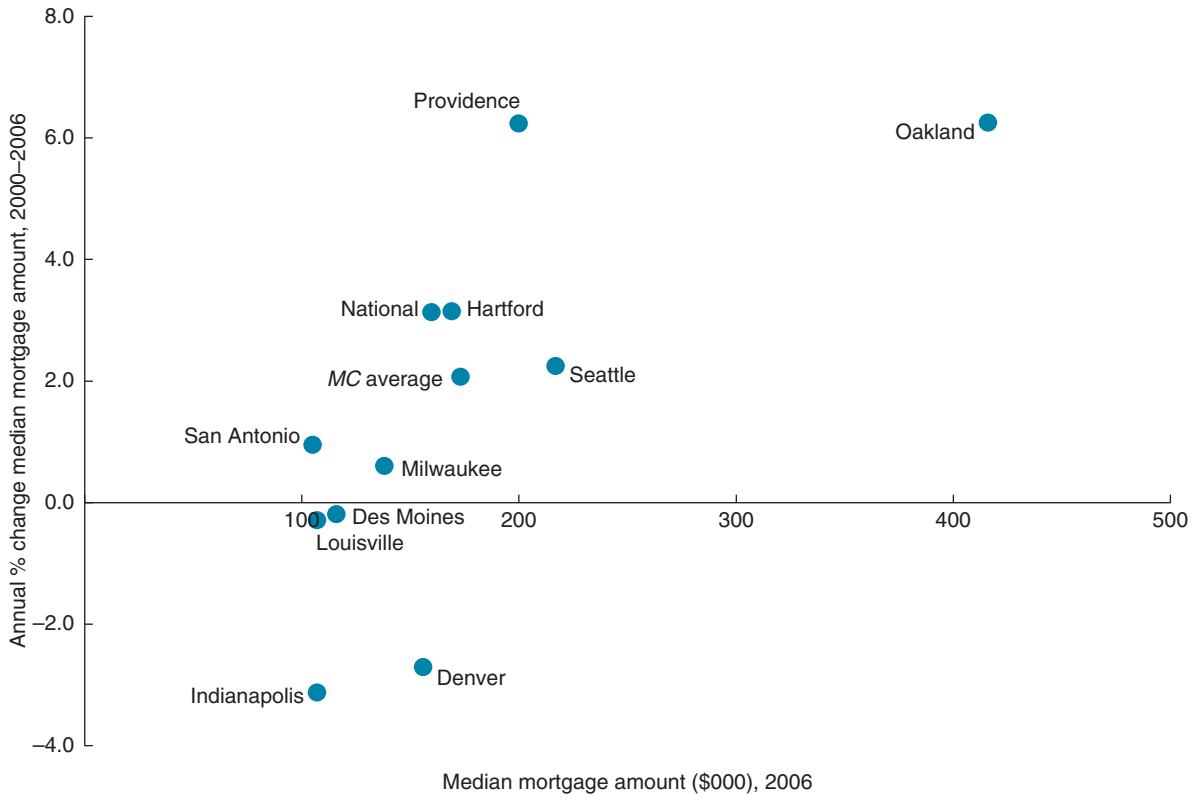
The first half of this decade has been one of turmoil in America's housing and mortgage markets, particularly at the low end.

In spite of deterioration in the economy, housing prices have increased persistently at unprecedented rates. Much of the explanation, it is generally believed, lies in the fact that interest rates remained low through most of the period.

- The price increases have heightened affordability pressures for families at almost all income levels and fueled speculative interest in housing.
- Both government policies and a new awakening to market potential by lenders have made homeownership viable for many families whose low incomes would have precluded them a decade ago.
- Unscrupulous lenders have moved in to take advantage of these new borrowers.

The increase in housing prices, as well as variation in market conditions across *MC* sites, is reflected in the data on **median mortgage amounts** depicted in figure 15. Housing prices in metropolitan

FIGURE 15
Median Mortgage Amounts, 2006, and Annual Percent Change in Mortgages, 2000–2006



Source: Home Mortgage Disclosure Act. See appendix B.

San Francisco-Oakland have for some time been off the charts in relation to other U.S. urban areas, and this is clearly reflected in the figure. The 2006 median mortgage amount in that metropolis was $416,000, considerably more than twice the average of $160,000 for the 100 largest metros and the *MC* site average of $173,000. The median for the next highest *MC* site was $217,000 in Seattle, followed by $200,000 in Providence and $169,000 in Hartford.

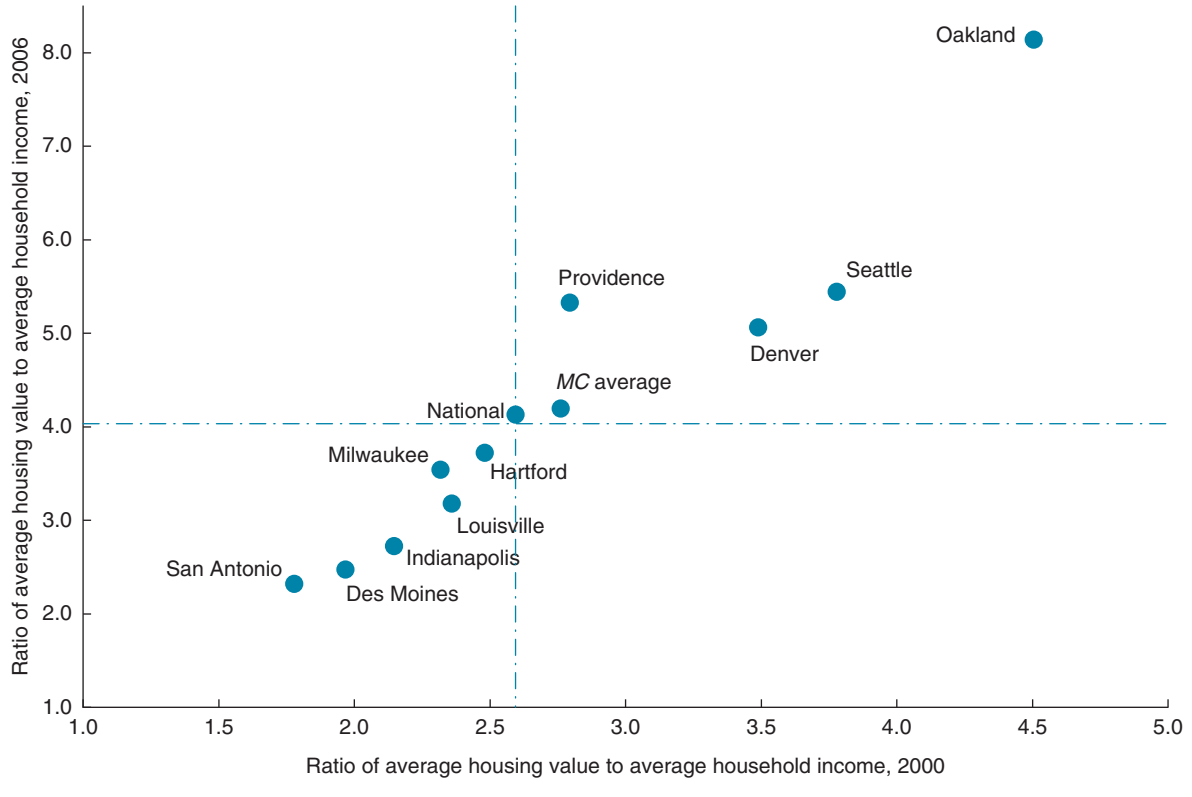
The lowest *MC* medians were $105,000 (San Antonio), $107,000 (Indianapolis and Louisville), and $116,000 (Des Moines).

The top 100 metros saw median mortgage amounts increase by 3.1 percent annually in real terms from 2000 to 2006, down slightly from 3.3 percent from 1997 to 2000. Two *MC* metros witnessed much more rapid annual increases in the more recent period: 6.2 percent in both Providence and Oakland. At the other extreme, four actually experienced a reduction in the median, including −3.1 percent in Indianapolis and −2.7 percent in Denver.

A better measure of comparative housing affordability on the owner side of the market is the **ratio of average home value to average household income.** In *MC* counties, the average home was worth 4.2 times the average income in 2006, up from 3.8 in 2004 and from only 2.8 in 2000 (for the United States as a whole, the ratio went up from 2.6 to 3.6 to 4.1 over the period).

Figure 16 shows these comparisons for all *MC* counties, with the 2006 value on the vertical axis and the 2000 value on the horizontal axis. The dots approximate a diagonal line, which means the sites maintained relatively the same relationship to each other as house prices went up rapidly in relation to income everywhere. Far out on the upper right in the chart is Oakland, whose average housing price

FIGURE 16
Ratio of Home Value to Income, 2000 and 2006



Source: U.S. Bureau of the Census, American Community Survey. See appendix B.

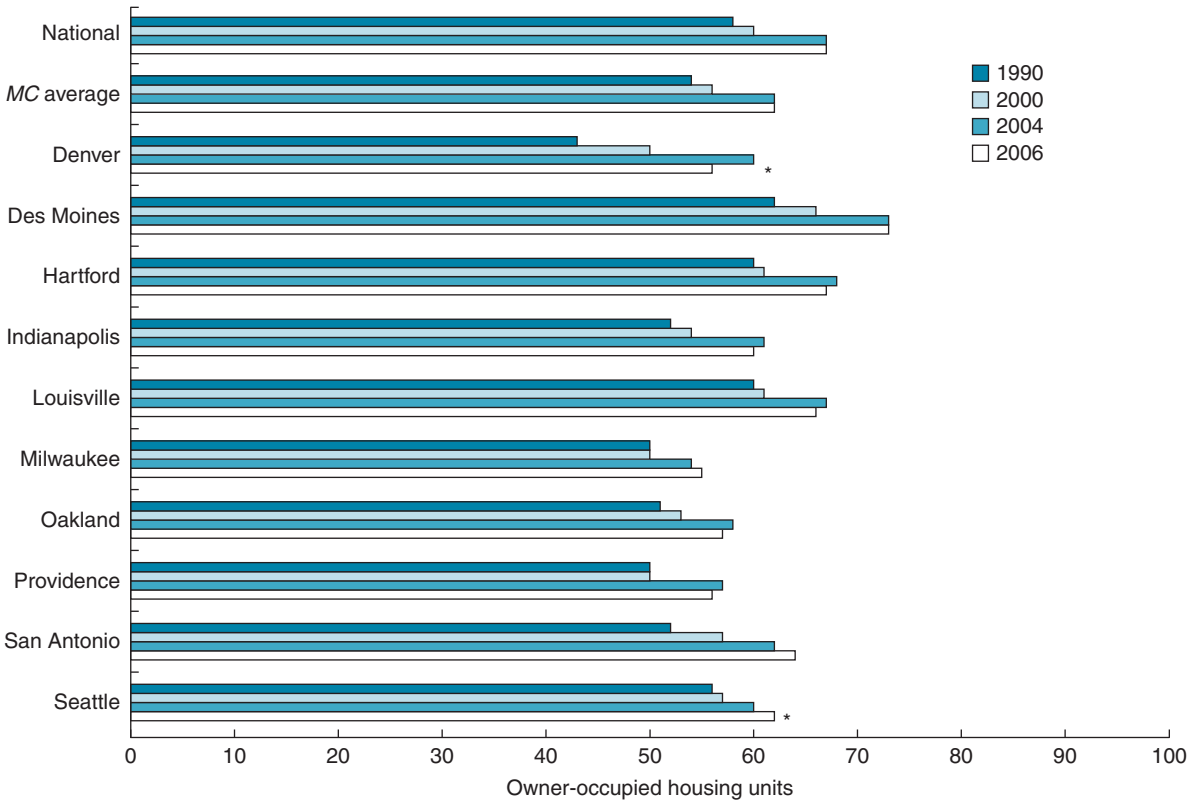
was a remarkable 8.1 times its average income in 2006 (up from 4.5 in 2000). The lowest values on the chart (i.e., the most affordable markets) were San Antonio (a ratio of 2.3 in 2006), Des Moines (2.5), and Indianapolis (2.7).

A measure of affordability pressure on the rental side is the **share of renters paying an unaffordable rent** (defined as paying more than 30 percent of their income for rent). This measure increased significantly from 44.1 percent in 2004 to 49.8 percent in 2006, numbers similar to *MC* averages. This problem remains serious in all *MC* counties, but there are some variations. Rental affordability was a problem mostly in Milwaukee, where 53.3 percent had to pay an unaffordable rent; second highest in Oakland, where the level was 52.8 percent; and third in Denver, at 52.1 percent. This problem was least severe in Seattle (44.7 percent) and Hartford (46.4 percent).

The growth in the **homeownership rate** has indeed been impressive. Just 60.2 percent of the nation's households were homeowners in 2000, up from 57.7 percent in 1990 (an increase of 0.3 percentage points per year). From 2000 to 2006 the rate had increased to 67.3 percent (an increase of 1.2 points per year). The *MC* county average was lower at the outset but has also gone up impressively, from 53.5 percent in 1990 to 55.9 percent in 2000 and again to 61.6 percent in 2006.

Across the *MC* counties (figure 17), homeownership in 2006 was highest in Des Moines (72.8 percent), followed by Hartford (67.0 percent) and Louisville (66.2 percent). It was lowest in Milwaukee (55.3 percent), Denver (55.6 percent), and Providence

FIGURE 17
Homeownership Rate, 1990, 2000, 2004, and 2006 (percent)



Source: U.S. Bureau of the Census, American Community Survey. See appendix B.
*Indicates a statistically significant change between 2004 and 2006 at the 90% confidence level or higher.

(56.2 percent). The rate has increased notably in all *MC* counties since 1990. There were rapid increases between 2000 and 2004 in Denver, Des Moines, Hartford, and Indianapolis. However, since 2004 the homeownership rate has fallen 2.0 points per year in Denver. The rate did increase significantly in Seattle to 61.9 percent in 2006, up from 60.0 percent in 2004.

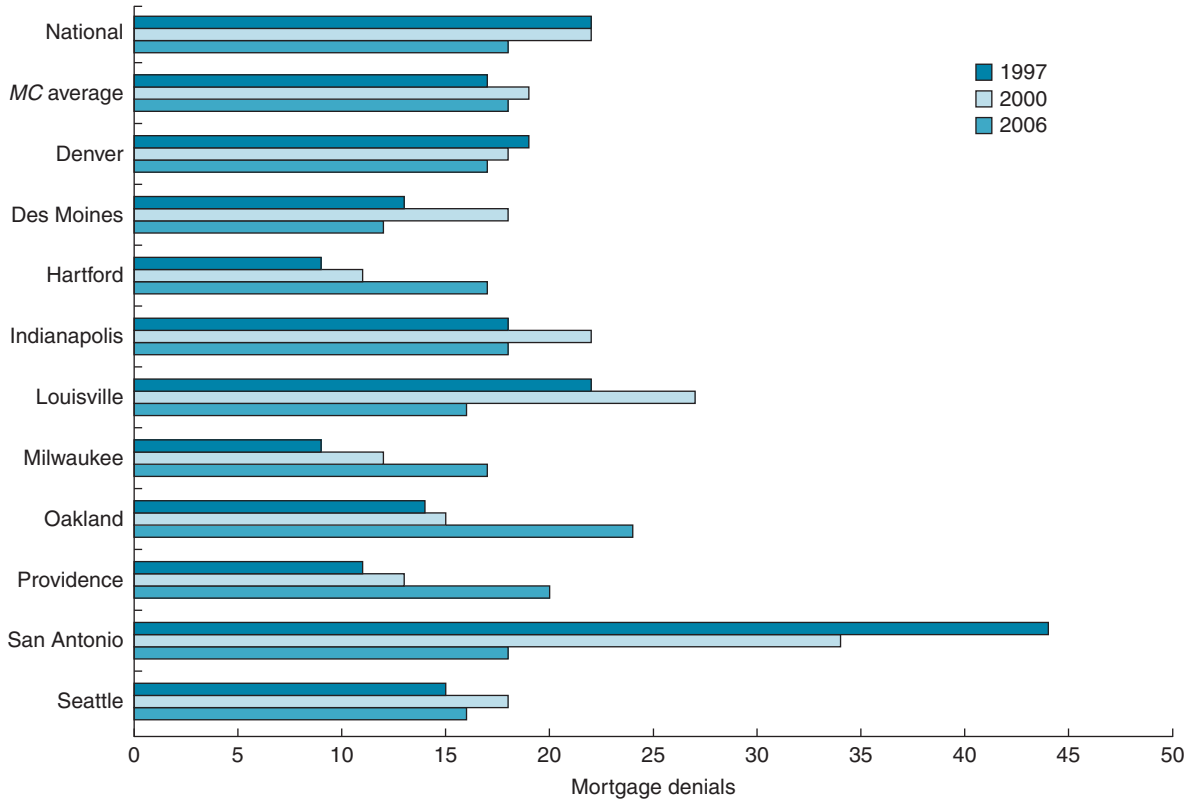
A useful indicator of the strength of a local housing market is **the mortgage denial rate** (the percent of all mortgage applications that are denied). For the largest 100 metro areas, this rate was 22 percent at both the start and end of the 1990s, but then dropped to 18.3 percent in 2006. It was generally lower each year in *MC* metros, increasing from 17.4 to 18.9 percent in the 1990s but then declining to 17.5 percent in 2006.

Values for this measure also vary markedly across *MC* sites (figure 18). The most dramatic shift on the chart is the decline in San Antonio from 44.4 percent in 1997 to 18.5 percent in 2006. The Oakland metropolitan area had the highest denial rates by far in 2006 at 23.6 percent. The next closest is Providence at 19.7 percent. Des Moines is quite a bit lower than the rest at 11.9 percent. In half of the sites, the denial rates have increased since 1997 (Hartford, Milwaukee, Oakland, Providence, and Seattle).

In the period of rapid price increases since 2000, investors (as opposed to would-be owner-occupants) are playing a more active role in local mortgage markets. In the top 100 U.S. metros, the **investor share of home purchase mortgages** decreased slightly from 7.7 percent in 1997 to 7.4 percent in 2000, but then shot up to 13.9 percent in 2006. In *MC* metros, the indicator went up from 6.4 percent in 2000 to 11.8 percent in 2006.

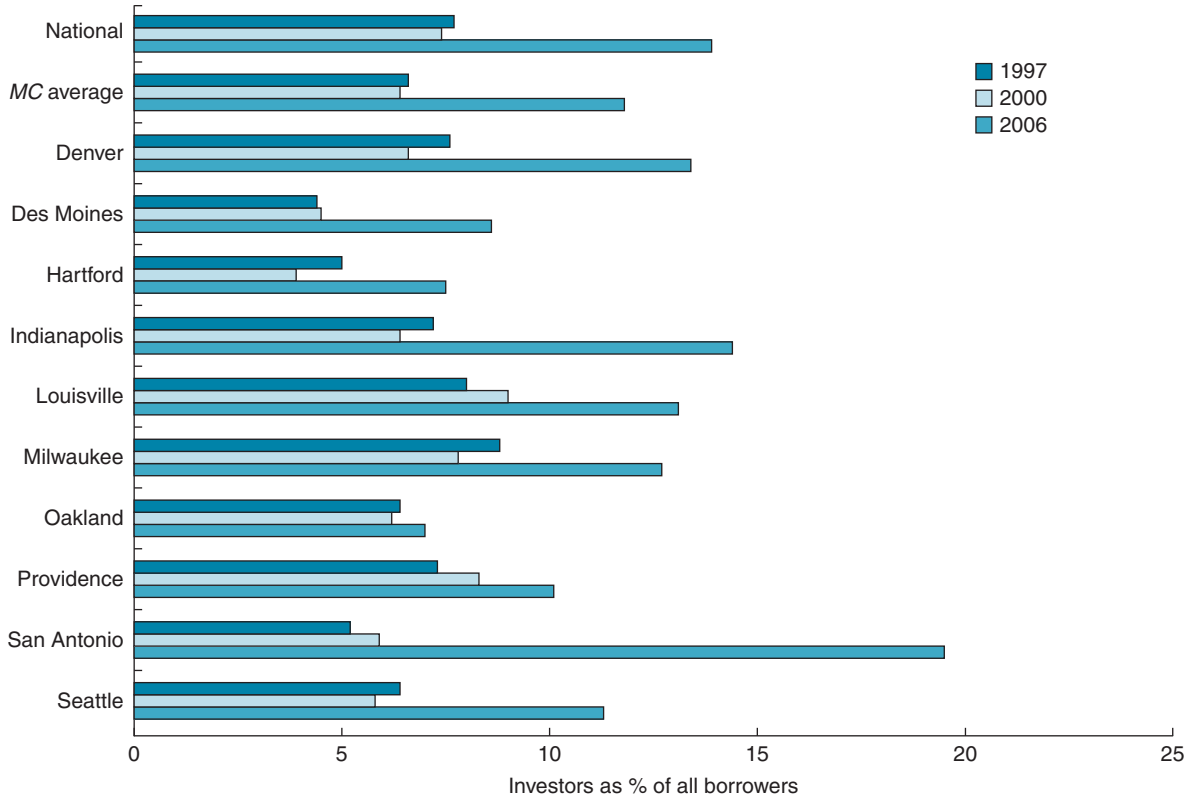
Figure 19 shows that sizeable increases in the investor share occurred in all *MC* metros over this period. The 2006 levels varied from highs in the 13.1 to 19.5 percent range (San Antonio, Indianapolis,

FIGURE 18
Mortgage Denials, 1997, 2000, and 2006 (percent)



Source: Home Mortgage Disclosure Act. See appendix B.

FIGURE 19
Investor Share of Borrowers, 1997, 2000, and 2006 (percent)



Source: Home Mortgage Disclosure Act. See appendix B.

Denver, Louisville, and Milwaukee) down to a low of 7.0 percent (Oakland and Hartford). Increases since 2000 were largest in San Antonio (+2.3 percentage points per year) and in Indianapolis (+1.3) and Denver (+1.1)—and lowest in Oakland (+0.1) and Providence (+0.3).

Another recent trend in U.S. mortgage markets has been the expanded presence of subprime lending. Subprime lenders typically charge higher interest rates but impose less-stringent requirements with respect to prior credit records. They thus provide mortgages to many low-income families who could not obtain them in the prime market. Subprime loans are not necessarily "predatory," but experience has shown they have a higher risk of default.

In the 100 largest metros, the **subprime share of home purchase mortgages** increased from 3.9 percent in 1997 to 7.9 percent in 2000 and 12.1 percent in 2006, almost the same levels as for the *MC* metros. Among *MC* metros, the highest 2006 rates were reached in Providence (17.4 percent), Oakland (15.6 percent), and Hartford (13.6 percent)—the lowest (5.6 to 10.0 percent) were in Des Moines, Louisville, Milwaukee, and Seattle. From 2000 to 2006, the subprime share increased most rapidly in the *MC* metros where it was highest (Providence, Oakland, and Hartford, all increasing by more than 1.2 percentage points per year) and decreased in the site with the lowest percent (Des Moines).

Recap

Figure 20 summarizes the results for selected housing indicators as figure 14 did for the social indicators. The sites are listed from best to worst on each indicator, and the horizontal line between sites represents the location of the national average.

This chart also indicates a fair amount of consistency in the position of sites across indicators. In

FIGURE 20
Recap of Housing Conditions

	Homeownership rate 2006	Home value/ income 2006	Rent > 30% income 2006	% subprime loans 2006
Best	Des Moines	San Antonio	Seattle	Des Moines
	Hartford	Des Moines	Hartford	Louisville
	Louisville	Indianapolis	San Antonio	Milwaukee
	San Antonio	Louisville	Des Moines	Seattle
	Seattle	Milwaukee	Louisville	Indianapolis
	Indianapolis	Hartford	Providence	Denver
	Oakland	Denver	Indianapolis	San Antonio
	Providence	Providence	Denver	Hartford
	Denver	Seattle	Oakland	Oakland
Worst	Milwaukee	Oakland	Milwaukee	Providence

Note: The line between sites indicates the national average.

general, sites where homeownership rates are comparatively low (e.g., Oakland, Providence, Denver, Milwaukee) have more serious housing affordability problems (with respect to both home values and rents in relation to income) and the highest incidence of subprime lending. At the better end of the spectrum, Des Moines and San Antonio have comparatively high homeownership and also come out well with respect to affordability pressures.

Indianapolis, Seattle, and Louisville typically are in the middle range of these distributions. Milwaukee displays the least consistent pattern (the lowest homeownership rate but a comparatively good home value to income ratio and a low incidence of subprime lending).

APPENDIX A

Data for *Making Connections* Sites

TABLE A.1

Economic and Social Indicators for the Nation and *Making Connections* Sites

					Making Connections Sites: City (County)									
			National comparisons	*Making Connections* average	Denver (Denver)	Des Moines (Polk)	Hartford (Hartford)	Indianapolis (Marion)	Louisville (Jefferson)	Milwaukee (Milw.)	Oakland (Alameda)	Providence (Provid.)	San Antonio (Bexar)	Seattle (King)
Economy														
Number of employees	1995	M	111,617*	860	1,073	261	512	751	562	767	1,910	594	733	1,433
(000)	2000	M	895	940	1,212	270	533	801	588	778	2,206	646	785	1,576
	2002	M	894	925	1,181	279	531	809	566	751	2,114	651	811	1,554
	2007	M	954	984	1,325	298	558	860	597	759	2,131	674	888	1,753
% change per year	1995–2000	M	1.85	1.80	2.46	0.72	0.80	1.29	0.90	0.31	2.92	1.70	1.39	1.93
	2000–2002	M	–0.05	–0.79	–1.27	1.69	–0.18	0.47	–1.91	–1.77	–2.10	0.39	1.62	–0.69
	2002–2007	M	1.31	1.26	2.33	1.30	0.99	1.25	1.08	0.21	0.16	0.72	1.82	2.43
	2000–2007	M	0.92	0.67	1.29	1.41	0.65	1.02	0.22	–0.36	–0.49	0.62	1.76	1.53
Unemployment	1995	M	5.3	4.6	3.6	2.7	5.7	3.5	4.5	3.5	5.4	6.6	4.5	5.6
rate (%)	2000	M	3.8	3.3	2.6	2.4	2.3	2.4	3.6	3.6	3.4	4.1	4.0	4.3
	2002	M	5.6	5.4	5.9	3.5	4.5	4.6	5.4	5.8	6.2	5.3	5.7	6.7
	2007	M	4.6	4.4	3.9	3.5	4.7	4.0	5.1	5.1	4.4	5.2	4.1	4.0
Number of	1998	M	45	50	64	14	30	40	29	40	118	41	35	89
establishments (000)	2000	M	47	51	67	14	30	40	29	40	121	42	36	91
	2005	M	50	53	74	15	30	43	30	40	119	44	39	96
% w/	1998	M	72	72	74	70	72	70	70	68	73	75	72	74
1–9 employees	2000	M	72	71	74	69	72	69	69	68	72	74	71	73
	2005	M	72	72	75	69	71	70	70	68	73	74	71	74
% w/ high-level	1998	M	28	29	36	29	28	29	27	28	35	23	28	30
services	2000	M	29	30	37	30	28	30	28	28	36	23	29	30
	2005	M	31	31	39	32	28	32	30	29	36	25	30	32
Demography														
Total population (000)	1990	C	248,710	863	467	327	852	797	665	958	1,279	596	1,185	1,507
	2000	C	281,422	948	555	375	857	860	694	940	1,444	622	1,393	1,737
	2006	C	299,398	981	567	409	877	866	702	915	1,457	636	1,556	1,827
% change/year	1990–2000	C	1.2	0.9	1.7	1.4	0.1	0.8	0.4	–0.2	1.2	0.4	1.6	1.4
	2000–2006	C	1.0	0.6	0.4	1.5	0.4	0.1	0.2	–0.4	0.2	0.4	1.9	0.8

% under 18	1990	C	26	24	22	25	23	26	24	26	24	23	29	23
	2000	C	26	25	22	26	25	26	24	26	24	24	28	22
	2006	C	25	25	24	26	23	27	24	27	24	23	28	22
% 18–29	1990	C	19	20	19	20	19	21	18	20	20	21	21	20
	2000	C	16	18	22	17	14	18	16	18	17	18	18	17
	2006	C	17	16	16	15	15	15	14	16	15	18	18	15
% 65+	1990	C	13	13	14	11	14	12	13	14	11	16	10	11
	2000	C	12	12	11	11	15	11	13	13	10	15	10	10
	2006	C	12	12	11	11	14	11	13	12	11	13	10	11
% minority	1990	C	24	27	38	8	20	23	18	27	47	15	58	17
	2000	C	31	36	48	14	27	31	23	38	59	26	64	27
	2006	C	34	39	50	16	30	36	26	42	63	29	67	30
% Hispanic	1990	C	8.8	11.2	22.8	2.0	8.2	1.0	0.6	4.4	13.8	6.6	49.4	2.8
	2000	C	12.5	15.4	31.7	4.4	11.5	3.7	1.7	8.8	19.0	13.4	54.3	5.5
	2006	C	14.8	17.7	34.8	6.2	13.0	6.6	2.6	11.4	21.4	16.9	57.2	7.2
% non-Hispanic black	1990	C	12	12	12	4	10	21	17	20	18	5	7	5
	2000	C	12	13	11	5	11	24	19	24	14	6	7	5
	2006	C	12	13	10	5	12	26	20	26	13	7	7	6
% Asian and other minority	1990	C	3.7	4.1	3.2	2.0	1.8	1.2	0.9	2.3	15.3	3.6	1.6	8.9
	2000	C	6.4	7.9	5.7	4.5	4.6	3.4	3.2	4.8	25.8	7.2	3.3	16.0
	2006	C	6.6	8.0	5.3	4.7	4.7	3.2	3.3	5.1	28.0	5.0	3.3	17.4
% foreign born	1990	C	7.9	7.6	7.4	2.4	10.0	1.9	1.5	4.5	18.0	12.5	8.4	9.3
	2000	C	11.1	11.9	17.4	5.9	11.7	4.6	3.4	6.8	27.2	15.6	10.9	15.4
	2006	C	12.5	13.9	17.1	7.3	14.5	6.5	4.7	8.5	30.9	17.4	11.9	19.9
% moved in last year	2006	C	17	18	21	19	13	20	18	19	17	16	20	20
Households														
Total households (1,000s)	1990	C	91,994	335	210	129	325	320	264	373	480	225	410	616
	2000	C	105,539	371	239	149	335	352	287	378	524	240	489	711
	2004	C	109,902	375	236	159	339	353	292	372	509	238	513	736
	2006	C	111,617*	381	246*	169*	337	354	293	376	517	233*	535*	752*
% married couple w/children	1990	C	26	23	16	26	23	22	23	20	23	22	29	23
	2000	C	24	21	16	25	22	19	20	18	24	20	26	22
	2004	C	22	20	14	25	22	17	19	16	25	18	23	20
	2006	C	22*	20	17	24	21	16	16*	16	23	18	22	21

(continued)

TABLE A.1

Economic and Social Indicators for the Nation and *Making Connections* Sites *(Continued)*

					Making Connections Sites: City (County)									
			National comparisons	*Making Connections* average	Denver (Denver)	Des Moines (Polk)	Hartford (Hartford)	Indianapolis (Marion)	Louisville (Jefferson)	Milwaukee (Milw.)	Oakland (Alameda)	Providence (Provid.)	San Antonio (Bexar)	Seattle (King)
% single parent w/children	1990	C	8	9	8	7	8	10	9	11	9	8	10	6
	2000	C	9	10	8	8	10	12	11	12	9	11	11	7
	2004	C	10	10	7	8	10	13	10	14	8	13	13	7
	2006	C	10	10	9	9	10	13	11	14	9	12	12	7
% other family, no children	1990	C	37	34	28	34	39	33	37	33	33	37	34	33
	2000	C	35	32	26	32	35	30	34	30	32	33	34	30
	2004	C	35	33	28	35	37	31	35	29	31	34	35	31
	2006	C	35	32	25	32	34	31	33	29	32	33	35	31
% nonfamily	1990	C	29	35	48	33	30	35	32	35	35	32	27	38
	2000	C	32	37	50	35	33	39	36	40	35	36	29	40
	2004	C	33	37	51	32	31	39	36	42	36	35	29	42
	2006	C	33*	39	50	35	35*	40	40*	42	36	36	31	41
Single parents as % all households w/children	1990	C	23	28	35	22	26	30	29	36	28	27	25	22
	2000	C	27	32	35	24	31	38	35	41	27	35	30	24
	2004	C	30	34	33	24	30	42	34	47	24	42	36	25
	2006	C	31*	35	34	28	31	44	40*	46	27	39	35	25
Income and poverty														
Average household income, $000 (constant 2006 $)	1990	C	60.4	60.8	53.4	60.4	77.4	56.7	55.1	53.2	72.2	56.6	52.8	70.5
	2000	C	68.5	69.9	66.7	70.7	79.3	63.5	64.5	59.1	87.9	59.2	61.9	86.0
	2004	C	64.1	66.1	65.5	68.4	78.9	58.8	59.1	52.4	82.7	59.7	58.2	77.6
	2006	C	65.5	65.5	59.6	67.2	77.8	55.7	57.8	53.6	83.0	58.1	57.7	85.0
% below federal poverty level	1990	C	13	13	17	9	8	12	14	16	11	12	20	8
	2000	C	12	12	14	8	9	11	12	15	11	15	16	8
	2006	C	13	14	20	10	10	16	15	19	11	14	17	9
% below 200% of poverty level	1990	C	31	29	36	24	17	30	31	32	24	29	43	20
	2000	C	30	28	33	21	21	28	28	32	24	33	38	20
	2006	C	31	31	41	23	22	36	32	37	26	34	39	22

% children below	1990	C	18	19	27	13	13	18	21	28	15	18	28	10
poverty level	2000	C	17	17	21	10	13	16	19	24	14	23	23	10
	2006	C	18	20	29	13	14	23	23	28	14	20	24	12
% point change/year	1990–2000	C	–0.2	–0.2	–0.7	–0.2	0.0	–0.2	–0.2	–0.4	–0.2	0.4	–0.6	0.0
	2000–2006	C	0.3	0.5	1.4	0.5	0.1	1.2	0.7	0.7	0.0	–0.4	0.3	0.3
% receiving public	2004	C	2.4	2.9	1.8	1.3	4.3	2.8	2.0	2.6	3.5	5.2	2.7	2.4
assistance	2006	C	2.4	2.6	2.6	2.5	2.5	3.4	2.2	2.4	2.7	4.2	1.5	2.5
Social conditions														
% 25 or older w/o	1990	C	25	22	21	15	22	23	26	24	19	33	27	12
high school diploma	2000	C	20	18	21	12	18	18	18	20	18	28	23	10
	2006	C	16	15	18	10	13	16	14	16	15	23	20	8
% 25 or older w/	1990	C	20	24	29	24	26	21	19	19	29	18	20	33
college degree	2000	C	24	29	34	30	30	25	25	24	35	21	23	40
	2006	C	27	31	36	32	31	26	28	25	39	25	24	45
% age 16–19,	1990	C	9.9	9.9	13.2	7.8	8.7	13.3	9.3	9.7	9.2	10.0	10.9	6.6
no school or work	2000	C	8.9	9.8	16.9	6.8	8.2	12.0	9.6	10.3	8.3	9.4	10.5	6.4
	2006	C	7.8	8.0	13.3	4.3	6.4	9.1	9.0	7.8	6.4	7.5	10.6	5.3
% of births to	1996	C	13	13	16	10	10	15	16	17	9	13	17	7
teen mothers	2000	C	12	12	15	10	10	14	13	16	8	12	16	6
	2003	C	10	10	13	8	9	13	11	14	6	11	15	5
% of births w/	1996	C	7.4	7.9	10.0	6.6	7.9	9.2	8.5	8.7	6.9	7.7	7.2	5.8
low birth weight	2000	C	7.6	7.9	9.3	6.6	7.9	8.8	8.9	9.0	6.8	7.8	7.7	5.9
	2003	C	7.9	8.2	9.5	6.9	8.4	9.0	9.0	8.8	6.9	8.7	8.7	6.2
% of births late or	1996	C	18	16	26	13	11	21	13	20	12	13	16	13
with no prenatal care	2000	C	17	15	28	11	12	22	10	20	10	10	14	13
	2003	C	16	16	28	10	16	23	n.r	19	9	11	13	n.r.
Violent crimes per	1995	C	6.5	6.5	8.9	3.9	5.9	9.9	9.2	7.9	5.3	4.0	4.8	5.4
1,000 people	2000	C	4.8	5.4	5.2	2.8	3.6	8.2	6.6	6.7	6.6	3.8	6.2	4.3
	2005	C	4.5	5.8	8.1	3.9	3.2	9.6	6.3	7.2	6.7	3.4	5.8	4.1
Property crimes per	1995	C	43	58	64	61	50	65	47	64	41	46	67	70
1,000 people	2000	C	34	45	43	50	35	39	34	55	41	37	63	53
	2005	C	33	49	62	49	33	62	46	49	44	31	61	58

(continued)

TABLE A.1
Economic and Social Indicators for the Nation and *Making Connections* Sites *(Continued)*

					Making Connections Sites: City (County)									
			National comparisons	*Making Connections* average	Denver (Denver)	Des Moines (Polk)	Hartford (Hartford)	Indianapolis (Marion)	Louisville (Jefferson)	Milwaukee (Milw.)	Oakland (Alameda)	Providence (Provid.)	San Antonio (Bexar)	Seattle (King)
Housing														
Housing units (000)	1990	C	102,264	359	239	136	342	349	283	390	504	243	456	647
	2000	C	115,905	391	251	156	353	387	306	400	540	253	521	742
	2004	C	122,672	408	265	173	359	408	319	404	552	255	561	782
	2006	C	126,312	417	271	180	362	416	326	408	560	256	590	804
% of units owner occupied	1990	C	58	54	43	62	60	52	60	50	51	50	52	56
	2000	C	60	56	50	66	61	54	61	50	53	50	57	57
	2004	C	67	62	60	73	68	61	67	54	58	57	62	60
	2006	C	67	62	56	73	67	60	66	55	57	56	64	62
% renters paying >30% income for rent	2004	C	44	45	50	40	43	43	44	49	51	47	42	44
	2006	C	50	49	52	47	46	51	47	53	53	49	47	45
Rental vacancy rate	1990	C	8.6	8.1	13.6	6.2	6.9	10.1	8.2	4.7	5.6	8.1	11.8	5.7
	2000	C	7.0	6.2	4.8	6.6	6.6	11.2	7.6	5.9	2.6	5.1	6.9	4.4
	2004	C	8.1	10.1	16.3	16.2	9.3	13.1	9.1	7.2	7.5	6.4	8.7	7.2
	2006	C	7.8	8.5	8.4	3.2	7.4	14.3	10.8	6.9	8.5	8.6	10.5	6.3
Average value, owner-occupied housing, $000 (constant 2006 $)	2000	C	178	199	233	139	197	136	152	137	396	166	110	325
	2004	C	233	259	293	169	254	148	177	171	583	280	130	382
	2006	C	270	286	301	166	289	152	184	190	675	310	134	462
% change/year	2000–2004	C	7.0	6.1	6.0	4.9	6.6	2.0	3.9	5.6	10.2	14.0	4.2	4.1
	2004–2006	C	7.7	4.0	1.4	–0.8	6.8	1.3	1.8	5.5	7.6	5.2	1.5	10.1
Ratio of average home value to average household income, all owner occupied (2006 $)	2000	C	2.6	2.8	3.5	2.0	2.5	2.1	2.4	2.3	4.5	2.8	1.8	3.8
	2004	C	3.6	3.8	4.5	2.5	3.2	2.5	3.0	3.3	7.1	4.7	2.2	4.9
	2006	C	4.1	4.2	5.1	2.5	3.7	2.7	3.2	3.5	8.1	5.3	2.3	5.4
Average gross rent (constant 2006 $)	2004	C	813	796	801	749	792	713	627	701	1,140	773	712	948
	2006	C	844	804	777	725	828	695	642	723	1,151	807	726	967

Home mortgage lending														
Mortgages originated	1997	M	44	49	76	56	36	50	45	40	50	31	40	62
per 1,000 base units	2000	M	55	59	101	57	48	60	48	44	64	41	53	68
	2006	M	80	74	115	92	59	84	57	58	63	48	99	110
Median mortgage, $000	1997	M	120	134	148	101	134	119	96	125	237	125	88	169
(constant 2006 $)	2000	M	133	153	184	117	140	129	109	133	289	139	99	190
	2006	M	160	173	156	116	169	107	107	138	416	200	105	217
% change/year	1997–2000	M	3.3	4.5	7.6	5.0	1.6	2.9	4.1	2.0	6.9	3.6	4.2	4.0
	2000–2006	M	3.1	2.1	–2.7	–0.2	3.1	–3.1	–0.3	0.6	6.2	6.2	0.9	2.2
Mortgage denial rate (%)	1997	M	22	17	19	13	9	18	22	9	14	11	44	15
	2000	M	22	19	18	18	11	22	27	12	15	13	34	18
	2006	M	18	18	17	12	17	18	16	17	24	20	18	16
Investors as % of all	1997	M	7.7	6.6	7.6	4.4	5.0	7.2	8.0	8.8	6.4	7.3	5.2	6.4
borrowers	2000	M	7.4	6.4	6.6	4.5	3.9	6.4	9.0	7.8	6.2	8.3	5.9	5.8
	2006	M	13.9	11.8	13.4	8.6	7.5	14.4	13.1	12.7	7.0	10.1	19.5	11.3
Subprime % of purchase	1997	M	3.9	3.7	5.1	1.5	4.1	3.1	1.3	2.6	7.4	5.3	2.4	4.5
mortgages	2000	M	7.9	7.6	6.6	7.3	5.8	9.5	5.5	7.4	8.5	7.8	10.3	7.6
	2006	M	12.1	11.4	11.1	5.6	13.6	10.7	8.4	9.7	15.6	17.4	11.6	10.0
Subprime % of	1997	M	21	17	18	18	11	31	23	14	14	15	8	16
refinancing loans	2000	M	26	23	20	24	24	24	18	19	15	25	41	18
	2006	M	17	16	15	17	17	15	13	16	8	18	25	13
High-income households,	1997	M	41	40	33	30	33	37	40	42	57	38	49	41
% of borrowers	2000	M	40	41	37	28	38	31	35	34	66	44	51	43
	2006	M	48	44	40	28	30	32	37	37	84	50	53	52
Low-income households,	1997	M	30	30	36	37	37	33	32	26	17	28	25	25
% of borrowers	2000	M	32	30	31	43	35	39	36	35	12	24	23	25
	2006	M	26	28	30	45	38	42	36	33	4	16	20	16
Hispanics, % of	1997	M	6.8	5.9	8.4	1.2	4.5	0.7	0.4	2.4	6.7	3.3	29.9	1.5
borrowers	2000	M	8.3	7.6	12.2	2.0	5.3	1.5	0.8	3.7	10.1	4.5	33.4	2.6
	2006	M	14.1	11.5	12.3	2.9	8.9	3.6	2.4	7.0	24.1	11.4	35.9	6.0
Non-Hispanic blacks,	1997	M	6.5	4.4	2.8	1.5	7.6	7.1	5.2	7.2	3.9	1.9	4.4	2.2
% of borrowers	2000	M	7.2	4.7	3.0	1.3	6.5	8.2	6.8	8.4	4.2	2.2	4.5	2.4
	2006	M	9.2	6.5	3.6	1.9	9.3	10.2	7.8	12.2	7.1	4.5	5.2	3.2

Sources: See appendix B.

C = County-level data

M = Metropolitan-level data

n.r. = not recorded

*statistically significant difference from 2004 values at the 90% confidence level or higher

APPENDIX B

Data Sources and Definitions

County/Metropolitan Area and Years Covered

Table B.1, lists all of the indicators used in this report. The first column provides the name of the indicator (the same as presented in table A.1). The second column states whether the data are provided either for (1) the *MC* county (counties are listed under metro names in table A.1) or (2) their full metropolitan areas. "Metro" means the data are for the current definition of the metropolitan area, as set forth by the federal Office of Management and Budget in 2003.

The national comparison unit also changes depending on which of these geographies is used: (1) if "County" appears in the second column of table B.1, then the data in the national comparison column in table A.1 are the average for the nation as a whole; (2) if "Metro" appears in the second column, then the data in the national comparison column in table A.1 are the average for the largest 100 metropolitan areas.

Most official names of metropolitan areas are a composite of the names of prominent "places" in the area. For example, "Seattle-Tacoma-Bellevue, WA" is an official metropolitan area name, but in this report we only use the first name listed ("Seattle"). For a full description of metropolitan definitions, see *Tracking Metropolitan America into the 21st Century: A Field Guide to the New Metropolitan and Micropolitan Definitions,* by William H. Frey, Jill H. Wilson, Alan Berube, and Audrey Singer (http://www.brookings.edu/metro/pubs/20041115_metrodefinitions.htm).

The third column in table B.1 notes the years for which data are provided in table A.1.

Sources of Data and Variable Definitions

The fourth column in table B.1 gives the short name of the source of the data supporting each indicator. There are seven sources in all. The paragraphs below give the complete names of the source and provide the URLs for their web sites, which offer more information about how the data were derived and complete definitions for each variable.

BLS/LAUS. This refers to the U.S. Bureau of Labor Statistics (BLS) Local Area Unemployment Statistics (LAUS) series. Estimates are generated by BLS models based on updated survey results for higher levels of geography. For more information about the series, the methodology, and variable definitions, see http://www.bls.gov/lau/home.htm.

Co.Bus.Pat. The U.S. Census Bureau's County Business Patterns series is produced every year, with economic data by industry for all U.S. counties. For a description of the Business Patterns series, data content, and industrial sector coverage, see U.S. Census Bureau, *County Business Patterns: United States: 2002,* CBP/02-1, issued November 2004, and http://www.census.gov/epcd/cbp/. Metadata related to these files appear on DataPlace, http://www.dataplace.org.

"High-level services" includes establishments in the finance, insurance, and real estate subgroup along with information, professional, scientific and technical services, management of enterprises, and administrative and support and waste management services.

TABLE B.1
Indicators for "Metropolitan Conditions and Trends"

Indicator	Geographic area	Dates	Source	Comments/definitions
Economy				
Number of employees	Metro	95,00,02,07	BLS/LAUS	
Unemployment rate	Metro	95,00,02,07	BLS/LAUS	unemployed/(employed + looking for work)
Number of establishments	Metro	98,00,05	Co.Bus.Pat.	
% w/1–9 employees	Metro	98,00,05	Co.Bus.Pat.	
% w/high-level services	Metro	98,00,05	Co.Bus.Pat.	See definition in appendix B under this source
Demography				
Total population	County	90,00,06	Cens.Ests.	
% under 18	County	90,00,06	Cens.Ests.	
% 18–29	County	90,00,06	Cens.Ests.	
% 65+	County	90,00,06	Cens.Ests.	
% minority	County	90,00,06	Cens.Ests.	See definition in appendix B under this source
% Hispanic	County	90,00,06	Cens.Ests.	See definition in appendix B under this source
% non-Hispanic black	County	90,00,06	Cens.Ests.	See definition in appendix B under this source
% Asian and other minority	County	90,00,06	Cens.Ests.	See definition in appendix B under this source
% foreign born	County	90,00,06	Cens./ACS	
% moved in last year	County	06	ACS	In different house one year from interview
Households				
Total households	County	90,00,04,06	Cens./ACS	
% married couple w/children	County	90,00,04,06	Cens./ACS	*Children* means own children only
% single parent w/children	County	90,00,04,06	Cens./ACS	*Children* means own children only
% other family, no children	County	90,00,04,06	Cens./ACS	*No children* means no own children only
% nonfamily	County	90,00,04,06	Cens./ACS	
Single parents as % all households w/children	County	90,00,04,06	Cens./ACS	*Children* means own children only
Income and poverty				
Average household income (constant 2006 $)	County	90,00,04,06	Cens./ACS	
% below federal poverty level	County	90,00,06	Cens./ACS	
% below 200% of poverty level	County	90,00,06	Cens./ACS	
% children below poverty level	County	90,00,06	Cens./ACS	
% receiving public assistance	County	04,06	ACS	

Social conditions				
% 25 or older w/o high school diploma	County	90,00,06	Cens./ACS	
% 25 or older w/college degree	County	90,00,06	Cens./ACS	Four-year degree or higher
% age 16–19, no school or work	County	90,00,06	Cens./ACS	
% births to teen mothers	County	96,00,03	CDC Site	Three-year averages. Teen = 19 or under
% births w/low birth weight	County	96,00,03	CDC Site	Three-year averages. Low birth rate = < 2,500 grams
% births late or having no prenatal care	County	96,00,03	CDC Site	Three-year averages. All w/o care in first trimester
Violent crimes per 1,000 people	County	95,00,05	FBI File	
Property crimes per 1,000 people	County	95,00,05	FBI File	
Housing				
Housing units (000)	County	90,00,04,06	Cens./ACS	
% units owner occupied	County	90,00,04,06	Cens./ACS	% of total occupied units
% renters paying >30% income for rent	County	04,06	ACS	
Rental vacancy rate	County	90,00,04,06	Cens./ACS	Vacant as % total rental units
Average value, owner-occupied units (2006 $)	County	00,04,06	Cens./ACS	
Ratio of average home value to average household income	County	00,04,06	Cens./ACS	
Average gross rent (constant 2006 $)	County	04,06	ACS	Occupied rental units paying cash rent
Home mortgage lending				
Mortgages originated per 1,000 base units[a]	Metro	97,00,06	HMDA	See definition in appendix B under this source
Median mortgage amount (2006 $)[a]	Metro	97,00,06	HMDA	
Mortgage denial rate[a]	Metro	97,00,06	HMDA	% applications denied
Investors as % of all borrowers[a]	Metro	97,00,06	HMDA	Investor = other than owner-occupant
Subprime % purchase mortgages[a]	Metro	97,00,06	HMDA	See reference in appendix B under this source
Subprime % refinancing loans	Metro	97,00,06	HMDA	See reference in appendix B under this source
High-income households % of borrowers[a]	Metro	97,00,06	HMDA	120% or more of metro median income
Low-income households % of borrowers[a]	Metro	97,00,06	HMDA	Less than 80% of metro median income
Hispanics % of borrowers[a]	Metro	97,00,06	HMDA	
Non-Hispanic black % of borrowers[a]	Metro	97,00,06	HMDA	

a. Covers home purchase mortgages only.

Cens.Ests. The U.S. Census Bureau's Population Estimates Program publishes total resident population estimates and demographic components of change (births, deaths, and migration) each year. It also publishes estimates by demographic characteristics (age, sex, race, and Hispanic origin) for the nation, states, and counties. The reference for the estimates is July 1 each year. See http://www.census.gov/popest/estimates.php.

The Census Bureau changed its questions pertaining to race and ethnicity between the 1990 and 2000 censuses in a way that affects the data from this source in table A.1. In the 1990 census, respondents were allowed to identify themselves as being of only one race. In 2000 and in the 2004 and 2006 American Community Surveys, they could identify more than one race. In table A.1, totals given for any race in those years are those that identify that race only (i.e., the small number that identify multiple races are not included). "Minorities" are the total population minus those who identify themselves as being non-Hispanic white only.

Cens./ACS. Indicators listing this source contain U.S. Census Bureau data from the decennial censuses for 1990 and 2000 and from the American Community Surveys (ACS) for 2004 and 2006. The decennial censuses are the most comprehensive sources for data on U.S. population and housing and since 2000, the ACS has provided data for many similarly defined variables for states and other large areas (e.g., counties, metropolitan areas) annually. For definitions, visit the ACS site, http://www.census.gov/acs/www/, which offers links that will clarify comparability with Decennial Census data. Data were not included for both 2004 and 2006 if the Census Bureau indicated comparability problems. If both 2004 and 2006 data are reported, tests were conducted to determine if the change between surveys was statistically significant. Significant changes are indicated with an asterisk for the 2006 data. In a few cases only 2004 and 2006 ACS data are displayed because the indicators have changed from the census data in 2000 and 1990.

CDC Site. The U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, maintains "Wide-Ranging Online Data for Epidemiologic Research," or WONDER. This is an online database of public health data collected from states' department of health centers and reported in a standardized format for all states and most counties. Where available, we report county-level data derived from WONDER's natality section (http://wonder.cdc.gov/natality.html).

FBI File. This refers to Uniform Crime Reports data, collected by the Federal Bureau of Investigation and taken from the National Archive of Criminal Justice Data web site, http://www.icpsr.umich.edu/NACJD/archive.html. The NACJD is part of the Inter-University Consortium for Political and Social Research at the University of Michigan and is sponsored by the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, and the Bureau of Justice Assistance. The Uniform Crime Reports provided on the NACJD web site differ slightly from the FBI's direct Uniform Crime Report release because beginning in 1994, the NACJD applied an imputation algorithm to adjust for incomplete reporting. The algorithm is meant to decrease variation in county-level data from year to year, yielding more accurate estimates for longitudinal analyses. Also, the NACJD uses updated data made available after the FBI publishes its UCR for the year. Data available online for download include county-level counts of arrests and offenses for Part I offenses (murder, rape, robbery, aggravated assault, burglary, larceny, auto theft, and arson) and are currently available for the following years: 1977–1984 and 1989–2005.

HMDA. This source is Home Mortgage Disclosure Act data files as prepared for DataPlace. For 2001 and later, the full loan and lender records are available in CD format with custom Windows software from the Federal Financial Institutions Examination Council (http://www.ffiec.gov/hmda/). See http://www.ffiec.gov/hmda/hmdaproducts.htm for history and requirements. Metadata related to these files appear on DataPlace, http://www.dataplace.org. Also, for more information, see Kathryn L. S. Pettit and Audrey Droesch, 2008, "A Guide to Home Mortgage Disclosure Act Data" (Washington, D.C.: The Urban Institute, http://www.urban.org/url.cfm?ID=1001247). An explanation of subprime loans is provided in this guide.

"Base units" refers to all owner-occupied units plus rental units in 1–4 unit structures, as of the 2000 census.

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